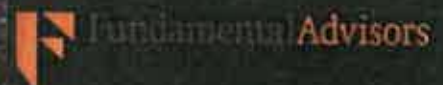




City of Memphis  
City of Choice

REIMAGE(ING)



Center City Revenue  
Finance Corporation



# POTENTIAL ACQUISITION OF AUTOZONE PARK December 3, 2013

A C Wharton, Jr., Mayor

Robert Lipscomb  
Director/HCD, Executive Director /MHA

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## **EXECUTIVE SUMMARY**

### **Vision:**

**To protect the long-term future of Triple-A baseball in Memphis while protecting the long-term interests of Memphis taxpayers and to stabilize and expand inner city baseball.**

### **Topline Summary**

The proposed agreement is between six parties – **St. Louis Cardinals, Memphis Redbirds Foundation, Fundamental Advisors LP, Center City Revenue Finance Corporation, Shelby County Government, and City of Memphis** – and it achieves objectives set by City of Memphis when negotiations began:

- Funding (with a goal of \$1 million) will be raised by a new foundation that will expand existing inner city baseball programs in Memphis neighborhoods.
- The AAA baseball team is not sold and the ballpark does not go dark.
- St. Louis Cardinals guarantees that the Memphis Redbirds remain in Memphis, and the team, the best-in-class U.S. professional sports franchises, will manage and operate the ballpark.
- City of Memphis will pay no operating costs or deficits for AutoZone Park; all operating costs will be paid by the St. Louis Cardinals.
- City of Memphis will purchase the ballpark at a price well below the costs for ballparks in comparable cities.
- No City of Memphis general funds will be used and dedicated revenue streams ensure that the purchase pays for itself.
- Revenue bonds issued for the purchase will not add to City of Memphis' bonded indebtedness.
- St. Louis Cardinals will make significant capital investments to improve the fan experience in AutoZone Park.
- Economic impact of the team and ballpark will be protected; best case: \$24 million and most conservative case \$11 million with about \$2 million in taxes.

## **EXECUTIVE SUMMARY**

### **Context for the AutoZone Park Agreement**

To be a successful urban area, Memphis has to do a lot of things right. It has to increase property values, decrease poverty, ensure government efficiency, improve neighborhoods, invest in human capital, and grow the economy with an emphasis on quality of life, an ecosystem for entrepreneurs, small businesses, and existing business expansions.

Success in Memphis is about balance. It's about balancing vital services that create a value proposition that attract and retain residents. It's about public confidence that government is operating efficiently and effectively and that the public's voices are being heard in setting priorities. It's about concentrating on both sides of the ledger – expenditures and revenues.

A philosophy of austerity at all costs leads to disinvestment in neighborhoods, degraded public services, and underfunded operations, and yet, government cannot turn and turn again to increased taxes and fees as sources for funding. Instead, success in Memphis is about developing and implementing a growth plan that increases revenues and reduces taxes through expansion of the economic base.

What has been missing in recent years are the systematic strategies to “grow the business” – to increase public revenues for quality services, to lower the tax rate through new revenues, and to provide the investments that can expand the economy, create new job centers, and improve neighborhoods. The ultimate goal of the investment strategy is to increase jobs and per capita income while decreasing poverty.

Ultimately, the outcome for the Investment and Growth Strategy is about creating a paradigm shift in the City of Memphis so that it is intentional about growth, increasing revenues for City of Memphis budgets, and creating self-confidence and bold aspirations for the future that become part of the city's DNA.

Memphis, like many cities its size, faces difficult challenges for the future. It cannot do more of the same and expect different results. To improve key indicators like income, education, and population growth, it requires an unprecedented, unwavering commitment to developing and implementing an integrated plan that creates an efficient government and new revenues to fund quality public services.

In 2020, Memphis will begin its third century as a city, and by that date, Memphis must have acted with a sense of urgency to launch a new era of growth. Potential areas of emphasis for the growth plan are about 1) repositioning the tourism product; 2) creating distinctive economic anchors; 3) improving public building blocks; 4) leveraging unique arts and cultural assets; 5) developing a clean and green city; 6) revitalizing neighborhoods of choice; and 7) getting the basics of government right.

## EXECUTIVE SUMMARY

That is why a Growth and Strategic Investment Plan is essential to the future of Memphis, creating new jobs, expanding the economy, and producing revenues for public services. This Growth Plan is a key component of the Five-Year Strategic Fiscal and Management Plan, which will identify opportunities for efficiencies and operational reform.

Memphis must make smart, strategic investments in three areas that drive success and growth: talent, opportunity, and place. In other words, this is about assertively pursuing projects that can improve the trajectory of Memphis in a dramatic and positive way and allow Memphis to leap frog over its competitors for economic growth.

Memphis has the opportunity to build momentum to create the quality of life and services that attract talented workers and business investment and to create a model for infrastructure investments that are based on a value proposition and a prosperity agenda.

There are public facilities that are fundamental cornerstones for cities' economic health and quality of life. One of them is sports and entertainment facilities like ballparks. In creating a high quality of life, these civic anchors make cities more attractive for workers, new talent, and for residents. In this way, ballparks, stadiums, arenas, and convention centers are not isolated islands in the economy, but they are the engines whose benefits and impacts ripple throughout the entire city.

### *The Five-Year Strategic Fiscal and Management Plan*

The Five-Year Strategic Fiscal and Management Plan is the over-arching framework for City of Memphis to create the high-performing government that makes the most of every tax dollar that makes strategic investments that grow the economy, and that builds public confidence. The purpose of the Five-Year Strategic Fiscal and Management Plan is to give framework into which all other initiatives, programs, and plans are incorporated to "connect the dots," to maximize the return on investment, and to create serendipitous connections so that the whole is more than the sum of its parts.

### *The City of Choice Vision:*

*In Memphis, we create safe and vibrant places for people to live, learn, work, and play. Our economy grows prosperity and opportunity for all. We invest in our young people so that talent is developed and retained. We advance a culture of excellence in government so that we are responsive, accountable, and successful in meeting core need.*

### *The Priorities:*

- \* Create safe and vibrant neighborhoods
- \* Grow prosperity and opportunity for all
- \* Invest in our young people
- \* Advance a culture of excellence in city government

## **EXECUTIVE SUMMARY**

### **Executive Summary for the AutoZone Park Agreement**

The agreement to keep the St. Louis Cardinals' AAA team in Memphis and for the Cardinals to manage AutoZone Park is a win for Memphis sports, inner city baseball, and taxpayers. To that end, this agreement removes any risks to the team and the ballpark and guarantees a robust inner city baseball program for Memphis. In this way, it fulfills the founding promise of the ballpark.

Since its grand opening in 2000, AutoZone Park has been hailed as one of the premier minor league ballparks in the U.S., and in 2009 it was honored as minor league ballpark of the year, and this year it was named finalist for the best minor league ballpark by USA Today. In the ensuing 13 years since it opened, the ballpark has attracted significant positive national media attention, and in attracting more than six million people to its games, it has been a major contributor to the Memphis sports economy and to the vitality of downtown Memphis.

Despite the successes of AutoZone Park as home of the Memphis Redbirds, Triple-A farm club of the St. Louis Cardinals, the future of the team and the ballpark were put in jeopardy upon the default of its bonds. Fundamental Advisors LP, a private equity firm in New York City, gained control in 2010 with the purchase of \$58 million in defaulted bonds, and as a result, Fundamental Advisors has the power to sell the team and the ballpark separately, which would create a highly negative impact on Memphis' sports landscape and Memphis' national reputation.

After examining all possible scenarios for the future, City of Memphis has determined that the best option with the lowest risk for Memphians is for the City of Memphis:

- 1) To purchase AutoZone Park for \$20 million and an infusion of \$5 million for capital improvements— less than the conservatively appraised value of \$31.3 million (**See EXHIBIT A**) and significantly less than the \$51-65 million being spent for ballparks in Nashville, Birmingham, and El Paso. The \$25 million purchase price will include \$20 million for the ballpark and \$5 million for improvements to the City-owned asset.
- 2) To enter into an agreement for the St. Louis Cardinals to become owner of the team and operator of the ballpark.

No major league sports organization is more respected or has more operational and management capabilities than the St. Louis Cardinals. In addition, the team has deep good will within the Memphis region.

The Center City Revenue Finance Corporation will issue revenue bonds for the purchase, and the debt will be self-supporting with bond payments paid from:

## EXECUTIVE SUMMARY

- 1) State of Tennessee sales tax rebate (which only a government can receive) for sales of tickets, concessions, and all other items in the ballpark which totaled \$831,260 in FY 2013
- 2) City of Memphis and Shelby County PILOT payments of about \$515,000 for the Moore Building and garage, and
- 3) \$300,000 yearly rent from the St. Louis Cardinals.

As part of the purchase, City of Memphis will receive:

- The guarantee from the St. Louis Cardinals that there will be a Triple-A franchise team in Memphis and AutoZone Park for up to 27 years.
- The guarantee that operating costs of the franchise and stadium, including deficits, if any, will be the sole responsibility of the St. Louis Cardinals.

In addition, the St. Louis Cardinals, as owners of the Memphis Redbirds and stadium operator, will make \$15+ million in stadium improvements to the City's asset to reach MLB (Major League Baseball) standards and these improvements will become assets of the City of Memphis as owners of the ballpark. These improvements include LED boards on rightfield and leftfield walls, new grass berms, a new club on the suite level, ribbon boards down the leftfield and rightfield lines, a leftfield bar, and improved design, improved picnic areas, and branding and they are aimed at upgrading the game day experience and increasing profitability.

Similar to the agreement at FedExForum, City of Memphis will create a capital expenditures fund for capital repairs, replacements, and improvements to AutoZone Park.

A key element of the agreement is aimed at stabilizing and expanding Memphis RBI (Reviving Baseball in the Inner City) as well as other independent inner city baseball programs and the memorandum of agreement calls for up to \$1,000,000 in initial funding to more than double the number of participants in the RBI program or other similar programs that adhere to the same standards. (See **EXHIBIT B**)

The sources of funds for debt service on the bonds are projected to be \$1.6 million in 2014 with increasing amounts until the bonds are retired. As a result, the project is self-funding, because there is sufficient revenue to pay the bonds for the purchase amount (without any City of Memphis general funds). The cash from the sale will be used by the bankrupt Memphis Redbirds Foundation to settle all debts to Memphis companies and vendors, excluding the major local investors in the Foundation.

## **HISTORY/DEAL POINTS /THEORY**

### **AutoZone Park Financial Context**

AutoZone Park, which opened in 2000, cost \$46 million to build, a record for a minor league baseball stadium. In addition, City of Memphis' total funding at the time was \$4.25 million (Shelby County Government paid an equal amount), which was used for site assembly and excavation for the 37-parcel, 12-acre site at Fourth and Union.

To fund the rest of the project which included the purchase and relocation of the team, \$72 million in tax-exempt bonds was issued in 1998, calling for three payments each year totaling \$5.4 million. In 2009, the baseball franchise and ballpark management arm, Blues City Baseball, defaulted on two scheduled payments of \$1.625 million each to U.S. Bank, trustee for the bonds.

In late 2010, Fundamental Advisors LP, a private equity firm specializing in distressed debt, gained control of the Redbirds franchise and AutoZone Park when it purchased \$58 million in defaulted bonds. With the bond default, Fundamental Advisors assumed the position of creditor, and when the transaction is completed, it will write off the defaulted bond debt. As a result of its position as the holder of the defaulted bonds, Fundamental Advisors can call the debt and sell the assets on the Courthouse steps, but the firm agreed to work with City of Memphis toward a result that was mutually satisfactory for all of the parties involved in this complex agreement.

Memphis Redbirds Foundation currently owns the stadium and the Foundation will wind down all of its business matters after the conclusion of the financing. The Foundation owns the stadium but it is collateral for bonds that are in default. The bondholders actually own the financial interests and could foreclose. The bonds have not been written off. The Foundation owes over \$60 million to the bondholders. It is true that the current bondholders bought the bonds for approximately \$24 million and they have made significant investments in improvements to the ballpark since they bought the bonds. There will be no outstanding debt after the conclusion of the Foundation's sale of the ballpark..

Their investment model is not to be long term owners. If this agreement is not consummated, Fundamental Advisors could foreclose on the stadium and potentially sell the Franchise to another City leaving the City with a vacant ballpark in its downtown.

All options for the future of the ballpark have been considered by City of Memphis, and the option with the lowest risk financially and the highest odds for success are for City of Memphis to purchase and own the ballpark (in keeping with general municipal practices across the U.S.) and to lease it to the Cardinals. Meanwhile, the St. Louis Cardinals will buy the team and contract with City of Memphis for it to remain in Memphis for a minimum of 27(17 years, plus 2, 5 year extensions) years and the Cardinals would operate the ballpark, paying all operating costs.



# HISTORY/DEAL POINTS /THEORY

## The Agreement

Term of Agreement: 17 years with two 5-year renewal options  
Stadium Purchase Price: \$20 million  
Stadium Appraised Value: \$31.3 million  
Immediate Capital Improvements: \$5 million invested by City into City asset and \$15+ million by St. Louis Cardinals  
Major League Affiliation: St. Louis Cardinals  
League Affiliation: Pacific Coast League – Triple-A  
10-Year Average Annual Redbirds Attendance: 585,900  
Site Size: 12 Acres  
Capacity: 14,320  
Owner of Ballpark Site: City of Memphis  
Owner of Ballpark: City of Memphis  
Percentage of Minor League Stadiums Municipally-Owned: 96.2%  
Issuer of bonds: Center City Revenue Finance Corporation  
Owner of the Memphis Redbirds: St. Louis Cardinals (with 25% local ownership)

## Key Elements of the Agreement:

- CCRFC will issue \$25 million in bonds to purchase AutoZone Park.
- \$5 million of the bond proceeds are Landlord improvements to the City-owned facility, which will enhance the fan experience (field, video display, seating and suites), increase regional attendance, and support the rebranding of the ballpark by the St. Louis Cardinals
- Memphis Redbirds, LLC (Cardinals) will be responsible for all operating and capital improvement costs during the Lease Term.
- The sources of funds for bond payments will be:
  - 1) Sales tax rebate on all sales (tickets, concessions, and all other items) that take place within AutoZone Park (\$831,260 in most recent year)
  - 2) City-County PILOT payments for the Moore Building and garage totaling approximately \$515,000 yearly
  - 3) \$300,000 annual rent from Memphis Redbirds, LLC (Cardinals).
- St. Louis Cardinals will purchase the Memphis Redbirds franchise and enter into a 17-year lease, with two 5-year renewal options with City of Memphis to operate the ballpark and to maintain a Triple-A franchise team.

## **HISTORY/DEAL POINTS /THEORY**

- A foundation will be established with an initial goal of \$1 million (inclusive of Tim McCarver's plan to lend his support to the Foundation) to fund stabilization and expansion of the RBI program and other inner city baseball programs that adhere to the same standards.
- Memphis Redbirds, LLC (Cardinals) will be responsible for all operating costs of AutoZone Park and \$15+ in capital improvements.
- The existing foundation which defaulted on its bonds will pay all outstanding debts of the team and ballpark (excluding investments by major investors who will not be paid).

## **SOCIAL IMPACT**

### **Social Impact:**

- The Foundation supporting inner city baseball
- Purchase of Suites by Redbirds and donation of some tickets to core inner city non-profits (i.e. Boys Club, etc.)
- Annual game against the 2013 National League Champion St. Louis Cardinals (first game March 28, 2014)
- Appearance by former Cardinals and Hall of Fame members at select games/events
- Satisfaction of all Memphis Redbirds Foundation outstanding Payables at closing

### **Inner City Baseball Programs (RBI and independent baseball programs):**

A key priority of the City of Memphis as it weighed its options for the ballpark and team was to stabilize and expand inner city baseball in Memphis neighborhoods through the Memphis RBI (Reviving Baseball in the Inner City) and similar neighborhood-based, independent programs organized to provide baseball in a positive environment (i.e., those at Gagliano Field, Will Carruthers Field and Jesse Turner Park). The Redbirds Foundation created this program when it was established, but because of financial challenges in recent years, support was reduced and fewer young people participate in it today.

The goal is to provide inner city boys and girls with safe, positive summer activities, and participants in the seven-week summer program receive uniforms, equipment, daily lunches, and tickets to Redbirds' games. The program accomplishes more than giving children a chance to play baseball. It teaches goal-setting, self-respect, discipline, teamwork, and community pride.

For memorandum of understanding, **SEE EXHIBIT B.**

# THE REAL ESTATE

## **The Real Estate:**

Since its opening in 2000, AutoZone Park has attracted more than six million people to a ballpark that has been described as a miniature major league stadium. Today, most new minor league ballparks are smaller (averaging 8,000 seats) than AutoZone Park and a very few have its quality architectural finishes - the grand brick exterior, expansive interior space, the largest scoreboard in the minor league, and two levels of suites. Although revenues at AutoZone Park remained near the top of all minor league teams, there were not enough revenues to pay the annual bond payments.

By combining the ambiance of parks like Wrigley Field, Fenway Park, and Camden Yards, AutoZone Park is a state-of-the-art facility in classic, neo-traditional style. Today, the stadium includes an open concourse so fans never lose sight of the game, two upper Club levels with 48 Club suites, club seats with access to an air-conditioned atrium and specialty foods, a state-of-the-art press box and 60 x 60 HD display board that's 127 feet tall, two open-air party decks, three party balconies, a family-oriented games and amusement boardwalk including a playground, and major league lighting.

AutoZone Park is one of the four largest minor league baseball parks in the U.S. with a capacity of 14,320. Today, ballparks are being built with smaller capacities with some major league stadiums seating fewer than 40,000 people and the same trend is true for minor league ballparks. For example, the new \$51 million El Paso, Texas, stadium for its Triple-A team will seat 10,000, and the new \$65 million ballpark in Birmingham, Alabama, for its Double-A team seats 8,500. In keeping with current baseball trends, the Cardinals will consider whether to reduce the capacity of AutoZone Park to improve the economics (if the supply of available tickets decrease, demand increases) and the aesthetics (fewer empty seats enhance the fan experience).

In other words, City of Memphis' purchase price of \$20 million for the ballpark is substantially less than the costs of ballparks in other peer cities, and the price is less than the \$31.3 million appraisal. In addition, the park's value will immediately increase with \$5 million in landlord improvements to the ballpark and \$16 million in capital improvements by the St. Louis Cardinals. Put another way, for \$25 million, the City of Memphis is obtaining a \$52 million asset.

As part of the Cardinals' \$15+ million improvements to the ballpark, there will be ribbon boards installed like those in FedEx Forum, upgraded lighting to major league standards, conversion of some suites for group events, and ensuring a seating capacity that creates ticket demand and increases profitability. The goal is to increase the intimacy and excitement of the ballpark and open up new options for families. These improvements are partially based on the August, 2012, facility survey prepared by Major League Baseball Commissioner's Office by Gould Evans Associates LLC.

## **The Real Estate**

AutoZone Park was joined by FedEx Forum a few years later, and together, the two facilities have attracted more than 12 million people downtown for sporting events. The 10-year average for annual attendance for the Redbirds is 585,900 and the average for the Memphis Grizzlies is 589,783.

**PEER CITIES' BALL PARKS**

| <b>CITY</b>           | <b>SIZE</b>         | <b>COST</b>         |
|-----------------------|---------------------|---------------------|
| <b>El Paso, TX</b>    | <b>10,000 seats</b> | <b>\$51 million</b> |
| <b>Birmingham, AL</b> | <b>8,500 seats</b>  | <b>\$64 million</b> |
| <b>Nashville, TN</b>  | <b>8,500 seats</b>  | <b>\$65 million</b> |
| <b>Memphis</b>        | <b>14,320 seats</b> | <b>\$25 million</b> |

## PEER CITIES' BALL PARKS



### ***Nashville, Tennessee***

Nashville has announced plans for a new \$65 million ballpark for its Triple-A baseball team. As part of the project, State of Tennessee will build new parking garages. Tentative financial plans are for \$700,000 a year from the Sounds to lease the stadium; \$650,000 a year in sales tax revenue generated by the stadium; \$750,000 in annual property tax revenue from the Sounds' ancillary development; \$675,000 in annual property tax revenue from an associated mixed-use development; and \$520,000 annually in tax-increment financing. The ballpark will seat 8,500 and it is planned to open in 2015.



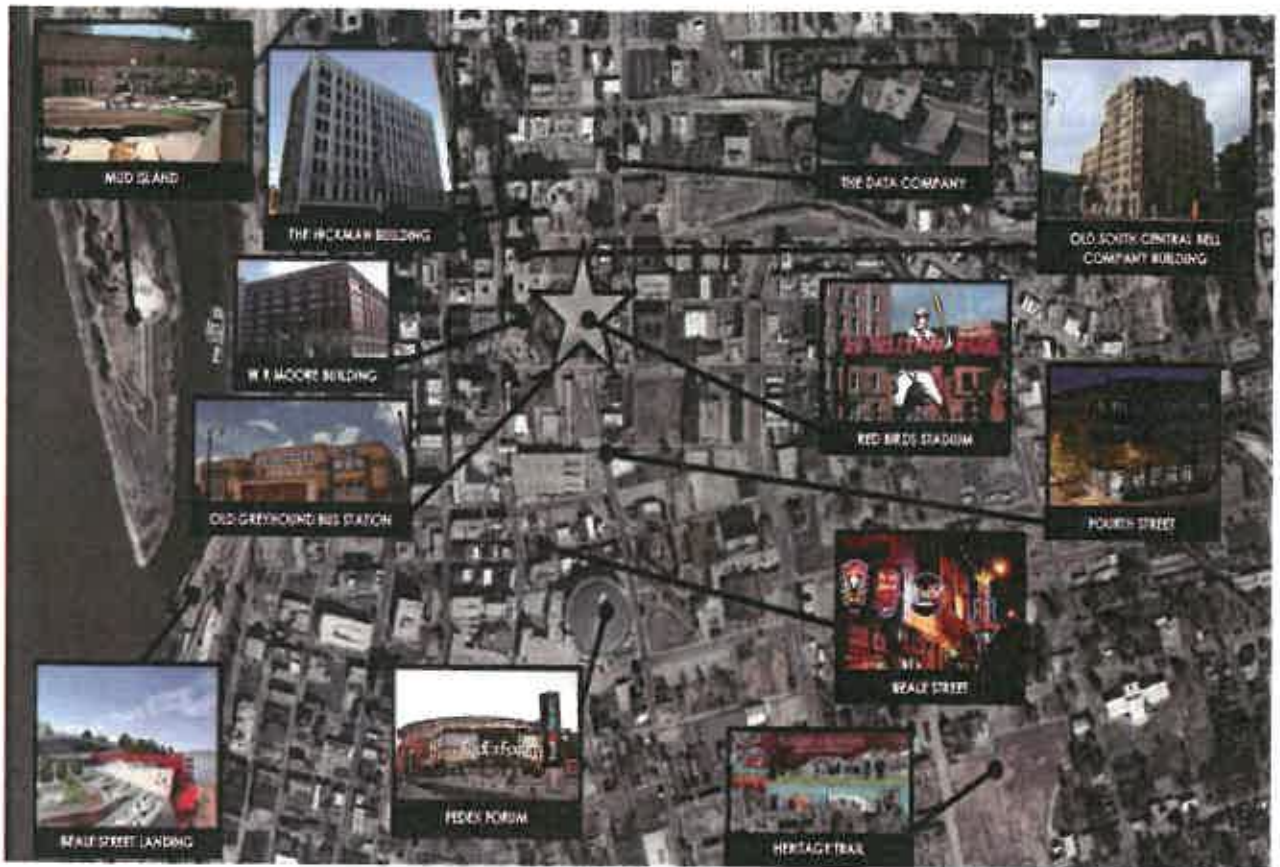
### **Minor League Ballpark Ownership**

There are 160 minor league ballparks in the U.S, and 96.2% of them are municipally owned. There are six privately owned ballparks and only one of them is a Triple-A franchise. All six privately-owned stadiums are in smaller markets.

## AREA IMPACT

### Area Impact:

Autozone Park will continue to be a development anchor in the area in and around the stadium. If Autozone Park becomes vacant, future development of the Sterick and Hickman buildings, and the old Greyhound Bus Terminal may be more difficult to achieve.





## MARKETING AND MANAGEMENT

### Marketing and Management:

On November 19 and 20, 2013, the Commercial Appeal reported:

**John Mozeliak, Cardinals general manager, twice said the team would want to “re-brand” the park, injecting “some energy, some dollars” into the facility that opened in 2000.**

The Cardinals want to rejuvenate AutoZone Park, which has long been hailed as the best minor league baseball stadium in the country, and make it even more fan-friendly. One idea is to eliminate four club-level suites behind home plate and create what Weiss called “a premium club area.” The current row seating in front of the existing suites would be replaced by tables that seat four. Those would be sold on a seasonal basis and would be cheaper than suites. Food and beverage packages would also be available. On the left-field and right-field walls, new LED boards would be installed. Also, the chair-back seating in the left- and right-field corners would be replaced by grass berms, with a Redbirds bar atop the berm in right field. Finally, atop the bluff in left field there would be a new nostalgic scoreboard (think Wrigley Field). **“What we’re going to do try to do is put an economic plan together where we can optimize that ballpark experience, make it more fan-friendly, and make it a more welcoming ballpark,” Mozeliak said. “In doing so, we want to have a strategic pricing plan that allows different levels of commitment from this fan base. ... We want people’s opinions, too, on what they want to see happen.”**



## MARKETING AND MANAGEMENT



## MARKETING AND MANAGEMENT



# **RISK ANALYSIS**

## **Risk Analysis:**

- The City's goal is to mitigate as much risk as possible, given the current economic climate
- Financial Assumptions are reasonable and conservative (attendance records and sales tax collections)
- Mitigated City risk by not using general fund revenue sources (sales tax rebates, PILOT and Rent)
- Bond rating will be one notch below City's rating
- The City has an excellent, credit worthy tenant in the St. Louis Cardinals organization.
- Memphis Redbirds LLC. will be responsible for the operating and maintenance of AutoZone Park for the length of the lease.
- On a replacement valuation, the City will have substantial amount of equity in the deal.
- The City has taken steps to mitigate its financial obligation to the City in the long-term.
- If there is a shortage in the revenues which support the debt service of the indebtedness, only non-ad valorem tax revenues will be used to make up the difference.

## LEGAL ANALYSIS

### Legal Analysis:

- City will purchase the Foundation's leasehold interest in the Ballpark and the existing leases will be cancelled.
- The City will purchase the Foundation's leasehold interest in the Ballpark for \$20,000,000.
- The City's purchase of the Foundation's leasehold interest in the Ballpark will be financed with proceeds of CCRFC's Sports Facility Revenue Bonds – **NO PROPERTY TAXES WILL BE USED TO FINANCE THE STADIUM PURCHASE.**
- Upon receipt of payment from the City, the Foundation will pay \$20,000,000 to Fundamental as payment in full of the Original Bonds.
- The St. Louis Cardinals will obtain ownership of the Memphis Redbirds franchise (the "Franchise") pursuant to an Asset Purchase Agreement among the Foundation, the Team and Fundamental.
- The Team will own and operate the Franchise and be responsible for paying operating expenses and the Team Lease Payments.
- The Team will own and operate the Franchise and be responsible for paying operating expenses and the Team Lease Payments.
- At the time the Team purchases the Franchise from the Foundation and the City acquires the Foundation's leasehold interest in the Ballpark, the Foundation will have no outstanding subordinate debt or any past due accounts payable and the Leased Premises will be free and clear of all liens.
- The City will retain the right to the exclusive use of the Ballpark for a maximum of 10 (ten) days during the off-season for City use for days designated by the City and approved by the Team, such approval not to be unreasonably withheld.
- Termination of the Team Lease before the end of the term will result in an early termination penalty in the amount of outstanding bond indebtedness.
- The Team agrees to use best faith efforts to include of M/WBE in construction of Ballpark improvements, which is commensurate with other large public facility construction projects in the City.
- The new foundation commits to fund an endowment of up to \$1 million in support of RBI/inner city baseball.



## **ECONOMIC IMPACT ANALYSIS**

### **Economic Impact Analysis**

University of Memphis Sparks Bureau of Business and Economic Research:

"The importance of the Redbirds and AutoZone Park cannot be overstated. Their positive impact on the economy, the level of energy in the downtown core of the city, the quality of life in Memphis and the focus on Memphis as a regional sports center makes this project very important to the community. If the Redbirds were to leave the city and vacate AutoZone Park, it would be devastating to the community's efforts to grow and prosper."

In the Sparks Bureau's 2012 economic impact study, it reported that the best case economic impact of the Redbirds is \$24 million in goods and services; more than \$14 million in salaries, wages, and benefits; \$1.8 million in state and local taxes, and \$1.9 million in federal taxes. The more conservative scenario called for more than \$11 million in output, more than \$6.8 million in income, and total taxes for all governments at \$1.9 million.

The team and ballpark produced 315 jobs with an average income of \$44,606.

The report said: "The economic rationale for publicly funded sports facilities is highly questionable given the evidence from numerous academic studies (see Siegfried and Zimbalist, "The Economics of Sports Facilities and Their Communities"). Only private investments are entirely dependent upon classic economic evaluations. The difference between public and private investments in infrastructure is clear: private investments must pass the profits test, and public investments do not. Any investment that can generate profits should be private. Competition with other cities for economic opportunities and for knowledge workers requires that the public make investments that make the community more attractive. Providing both financial and non-financial support for the Memphis Redbirds is an example where public interests exist and where community benefits exceed the cost of the support."

"...The Memphis Redbirds and sports teams of all types make up a small part of the total economy...but (they) are a part of the fabric of the community. They are important for both quantitative and qualitative reasons. Not every project can be judged by the economic impact it has on a community. Some projects are critical determinants of the future of the city even if their economic impact is small. The Memphis Redbirds and AutoZone Park continue to have a positive impact on the community that far exceeds the calculations from any economic impact analysis."

**(Complete Report: SEE EXHIBIT H)**

# **EXHIBITS**

**A – Appraisal**

**B – Foundation Memorandum of Understanding**

**C – Attendance Records**

**D – Sales Tax Rebate History and University of Memphis  
Report**

**E – Resolutions for Shelby County Board of Commissioners**

**F – Resolution for Memphis City Council**

**G – City of Memphis Resolutions regarding MWBE**

**H -- The Economic Impact of the Memphis Redbirds and  
AutoZone Park-Updated**

# **EXHIBIT A**

## **Appraisal**





May 15, 2013

Mr. Marcus D. Ward  
Senior Assistant City Attorney  
City of Memphis  
701 North Main Street  
Memphis, TN 38107

Re: Appraisal Report of Property of Memphis Redbirds Baseball Foundation, Inc.;  
AutoZone Park Baseball Stadium; Northeast Corner of Union Avenue and South Third Street;  
280 Union Avenue, Memphis, Shelby County, TN 38108; Shelby County Tax Identification  
No. Ward 2 – Block 60 – Parcel 4C

Dear Mr. Ward:

At your request, I have made the necessary inspection and analysis to appraise the above property. This transmittal letter is not the appraisal report and briefly outlines my findings. The attached report and addenda set forth the data, research, analysis, and conclusions for this appraisal.

I have experience in appraising special purpose type properties, and I have the knowledge and experience to complete the assignment competently. Please see the addenda for a set of my qualifications and a copy of my state license.

This is to disclose that I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

It is acknowledged that my engagement in this assignment was not contingent upon developing or reporting predetermined results. Furthermore, this appraisal is not based on a requested minimum or maximum valuation, or a specific valuation.

The purpose of this appraisal is to develop an opinion of the full cash market value of the fee simple estate of the subject property, as of April 30, 2013, which is the date of the appraiser's last inspection. The sole intended user of this appraisal is the client or the client's representatives. Use of this report by others is not intended by the appraiser. It is understood that the intended use of this appraisal is to assist the client with the potential acquisition of the subject property. This appraisal is not intended for any other use. The appraiser is not responsible for any unauthorized use of this report.

To the best of my knowledge, this appraisal conforms to the appraisal guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Mr. Marcus D. Ward

May 15, 2013

This appraisal report is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP) for a summary appraisal report. Accordingly, this report presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process whereas supporting documentation is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use as noted herein. The appraiser is not responsible for unauthorized use of this report.

The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes the extent to which the property is identified, the extent to which tangible property is inspected, the type and extent of data research, and the type and extent of analysis applied to arrive at credible opinions or conclusions. The specific scope of work for this assignment is identified in the Scope of Work section and to some extent throughout this report.

It is noted that discussions are currently underway regarding the sale of the subject property stadium (improvements only) to the client and the sale of the Memphis Redbirds baseball franchise to a group whose majority owner would be the St. Louis Cardinals organization. It is the appraiser's understanding that no deal has been reached yet; however, this appraisal is based on the assumption that a deal will be reached, and is contingent upon such deal being reached, which would include a long-term lease between the Redbirds (owned by a group with the majority owner being the St. Louis Cardinals organization) and the stadium owner for at least 25 years which is the anticipated term for new bond financing. Additionally, it is assumed that enough funds will be generated from various sources in order for the client, as the potential stadium owner, to at least break even financially over the 15-year bond term.

Based on my inspection of the subject property, the defined scope of work, and the valuation analysis in the attached report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, it is my opinion that the market value of the fee simple estate of the subject property, in terms equivalent to cash, as of April 30, 2013, is:

**Thirty-One Million Three Hundred Thousand Dollars**

(\$23,800,400 improvements value + \$7,490,000 land value = \$31,290,400, or \$31,300,000 rounded)

A careful reading of the attached report and addenda is urged in order that the data, analyses and assumptions and limiting conditions upon which this opinion of value is based may be understood.

The opportunity of serving you in the course of this assignment is greatly appreciated. If you have any questions about this appraisal, please do not hesitate to contact me at once.

Very truly yours,

TROTZ REAL ESTATE SERVICES, INC.



Eric A. Trotz, MAI

Designated Member of the Appraisal Institute

Tennessee State Certified General Real Estate Appraiser - C6-2174

**EXHIBIT B**

**Foundation Memorandum  
of Understanding**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MEMPHIS AND  
THE MEMPHIS REDBIRDS LLC WITH REGARD TO THE EMPLOYMENT OF  
MINORITIES AND WOMEN, AND THE INCLUSION OF MINORITY, WOMEN-  
OWNED AND LOCAL BUSINESS ENTERPRISES**

**WHEREAS**, City of Memphis (the "City") and the Memphis Redbirds LLC, an affiliate organization of the Saint Louis Cardinals major league baseball organization (the "Cardinals") are entering into a public/private partnership which will involve the acquisition of AutoZone Park, by the City and the Memphis Redbirds baseball team by the Cardinals; and

**WHEREAS**, it is intended that the partnership produce a number of economic development benefits, including the redevelopment of a sports and entertainment venue, the creation of employment and small business development opportunities, for individuals as well as businesses, and the establishment of recreation and health consciousness as a lifestyle for the development of Memphis Youth; and

**WHEREAS**, it is the objective of both the City and the Cardinals to develop agreed upon procedures to promote MWBE and local business development, as well as to focus on job creation and employment in baseball and the industries that support this partnership; and

**WHEREAS**, the Cardinals have a proven record of promoting economic development, and business diversity throughout the greater Saint Louis area and beyond; and

**WHEREAS**, it is anticipated that the community development experience of the Saint Louis when paired with the efforts of the City, will produce a community development public/private partnership that will serve as a model for the Memphis business and public sector communities; and

**WHEREAS**, the parties are significantly desirous of, and enthusiastic about developing a joint strategy with the City that will result in the creation of employment and business development opportunities for all Memphians, particularly for MWBEs and local businesses; and

**WHEREAS**, it is the position of the City and the Cardinals that the creation and implementation of a joint strategy to promote the use and development of MWBEs as well as small and local businesses in this and other collateral projects, as well as an employment and job creation strategy pursuant to this project is in the best interests of the citizens of Memphis.

**THEREFORE, PREMISES CONSIDERED,**

**IT IS UNDERSTOOD AND AGREED**, the City and the Cardinals shall take proactive measures to ensure that any and MBE, WBE, or SBE, or local business desirous of conducting business with the City, the Cardinals, or the Memphis Redbirds, is made fully aware of the necessary processes for certification, or registration with the City for the purpose of inclusion on any certified vendor list, or other qualified notification which allows said businesses to be considered for contracting with the City as an MBE, WBE, or SBE, and the City and the

Cardinals shall provide technical assistance to ensure that said entities are able to complete the qualification process if they should elect to do so; and

**IT IS UNDERSTOOD AND AGREED** the parties shall endeavor to include a suitable balance of all trades, skills, and professions in all business endeavors with the City, without regard to the number of MBE, WBE, and SBE firms in a given profession or occupation, and shall set participation goals for said entities in all contracts, and to the extent that a given profession, skill or occupation is vacant of any MBEs, WBEs, or SBEs, the City shall seek to serve as a catalyst for the creation of such entities in that profession, skill, or occupation; and

**IT IS UNDERSTOOD AND AGREED**, that the City shall utilize the Memphis Office of Resources and Enterprises ("MORE") and the City of Memphis Office of Contract Compliance ("OCC") in their respective capacities as the vehicles for executing the initiatives set forth in this Memorandum of Understanding (the "MOU"); and

**IT IS UNDERSTOOD AND AGREED** that the parties will exert their best efforts to establish this undertaking as a network for the creation of public private partnerships between MBEs, WBEs, SBEs, and small local businesses, and those private and nonprofit entities that have executed the MOU referenced herein; and

**IT IS UNDERSTOOD AND AGREED** that this initiative shall be implemented in a manner consistent with applicable law, and is not intended to, nor does it create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity, by any party against the City, its Divisions, Departments, agencies or entities, Boards or Commissions, officers, employees, agents, or any other persons.

**IT IS UNDERSTOOD AND AGREED** that this MOU shall be included with the closing documents which have been completed as a part of the City's acquisition of AutoZone Park, and in that connection, acceptance of this MOU by the parties shall constitute a condition precedent to the completion of this transaction.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2013

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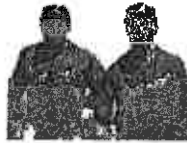
**A C WHARTON, JR.**  
**MAYOR, CITY OF MEMPHIS**

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**JOHN MOZELIAK,**  
**MEMPHIS REDBIRDS, LLC**

## MLB hopes to invigorate African-American participation

Bob Nightengale, USA TODAY Sports 3:24p.m. EDT April 10, 2013



(Photo: Kim Klement, USA TODAY Sports)

Major League Baseball, with a record low 7.7 % of African-Americans on opening-day rosters this season, announced the creation of a task force Wednesday in hopes of reversing the 20-year decline.

"As a social institution, Major League Baseball has an enormous social responsibility to provide equal opportunities for all people, both on and off the field," Commissioner Bud Selig said in a prepared statement. "I am proud of the work we have done thus far with the RBI program and the MLB Urban Youth Academies, but there is more that we must accomplish.

"We have seen a number of successful efforts with existing MLB task forces, and I believe we have selected the right people to effectively address the many factors associated with diversity in baseball."

The African-American percentage in baseball this season is the lowest since the Boston Red Sox became the first team to integrate its roster in 1959, according to a USA TODAY study, that includes major-league players on the opening-day disabled lists. It's a drop from 8.05% last season, a dramatic decline from 1995 when 19% of the rosters were African-American, and far from the peak of 27% in 1976.

**MORE: [Historic low number of African-American players](http://www.usatoday.com/story/sports/mlb/2013/04/09/mlb-african-americans-in-baseball-jackie-robinson-4326391194) <http://www.usatoday.com/story/sports/mlb/2013/04/09/mlb-african-americans-in-baseball-jackie-robinson-4326391194>**

"Bud is right on the spot," veteran agent Scott Boras told USA TODAY Sports. "We've got to get these athletes back into baseball. But I don't think anything will change until Major League Baseball and the NCAA wakes up.

"Until we get this remedied, the Jackie Robinsons of the world aren't going to come to college to play baseball."

Boras, who founded the Boras Baseball Classic to help gain exposure to high school players, recommends that MLB subsidize college baseball scholarships. There are only 11.7 scholarships for college baseball programs, compared to 85 in football and 13 in basketball.

"If you're a high school athlete coming from a single-parent home that doesn't have the money to go to college," Boras said, "you're going to go to the sport where you can get a full scholarship. This needs to change if we want to get the best athletes in baseball."

The dearth of African-Americans can be seen even at the high-school level, Hall of Fame executive Pat Gillick says.

"At the high-school level," Gillick told USA TODAY Sports, "the coaches get these kids in revenue-driven sports, and take them away from baseball. There's so much pressure on these kids to even play spring football.

"We need to get the African American players back in the game, which I think would make it not only a better game, but more exciting and entertaining for everyone."

Tempa Bay Rays owner Stuart Sternberg owners will head the committee, with Detroit Tigers vice president Dave Dombrowski as the vice president.

The other committee members include: Hall of Famer Frank Robinson; MLB vice presidents Tom Breuawell, Wendy Lewis, Jonathan Mariner, Kim Ng and Darrell Miller; Tony Clark of the players association; Chicago White Sox vice president Kenny Williams; Roger Cador, coach of Southern University; Dennis Gilbert, special assistant to Chicago White Sox chairman Jerry Reinsdorf; Larry Dolan of the Cleveland Indians; Derrick Hall, president of the Arizona Diamondbacks; former manager Jerry Manuel; Frank Marcos of the MLB scouting bureau; and Pat O'Connor, president of minor league baseball.

## MLB hopes to invigorate African-American participation

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Hall of Fame second baseman Joe Morgan hopes the committee will help, but also believes that baseball needs to improve its representation in the front offices and the field. There are three African-American managers -- Dusty Baker of Cincinnati, Ron Washington of Texas and Bo Porter of Houston -- and Mike Hill of the Miami Marlins is the only African-American general manager.

"There has to be more involvement to attract athletes to come to baseball," Morgan told USA TODAY Sports. "I thought the NFL was worse, with the way they handled all of their jobs, and that none were given to African-American coaches. Truthfully, we can't go in that direction and hope this thing turns around."

Major League Baseball launched its RBI program (Reviving Baseball in Inner Cities) in 1989, and has built four urban academies with three others being developed. There have been more than 200 RBI participants drafted, including 14 in last year's draft. There were also seven African-American athletes selected in the first round of last year's June Draft, the most since 1982.

**EXHIBIT C**  
**Attendance Records**



# A

## ATTENDANCE RECORDS

The 11-year attendance records reflect the Memphis Redbirds as a regional attraction, similar to that of the Memphis Grizzlies. In order to maximize Autozone Park as a regional attraction, it is now time to update the stadium layout and improve the fan experience.

|                  | Grizzlies | UM Basketball | Heritage Classic | Liberty Bowl | UM Football | Redbirds  |
|------------------|-----------|---------------|------------------|--------------|-------------|-----------|
| 2013             | 630,126   | 290,048       |                  |              |             | 498,362   |
| 2012             | 518,256   | 324,670       | 42,257           | 53,687       | 174,267     | 500,270   |
| 2011             | 600,687   | 300,000       | 43,532           | 57,103       | 120,470     | 505,493   |
| 2010             | 552,914   | 329,968       | 44,688           | 51,231       | 143,509     | 470,817   |
| 2009             | 509,806   | 338,658       | 43,306           | 62,742       | 127,130     | 474,764   |
| 2008             | 523,578   | 351,718       | 50,794           | 56,125       | 175,021     | 573,767   |
| 2007             | 600,836   | 276,014       | 50,879           | 63,816       | 207,688     | 556,333   |
| 2006             | 647,533   | 297,328       | 53,441           | 56,103       | 227,077     | 591,271   |
| 2005             | 691,362   | 220,500       | 48,300           | 54,894       | 239,946     | 696,083   |
| 2004             | 622,723   | 238,500       | 55,015           | 58,355       | 205,874     | 729,866   |
| 2003             |           |               | 52,603           | 55,917       | 246,998     | 760,323   |
| Total Attendance | 5,897,821 | 2,967,404     | 457,817          | 539,973      | 1,663,185   | 5,859,007 |
| 10-Year Average  | 589,783   | 296,740       | 45,781           | 53,997       | 166,318     | 585,900   |

# **Exhibit D**

## **Sales Tax Rebate**

**Historic Sales Tax Rebates (Average Annual = \$797,264)**

| <b>Fiscal Year</b> | <b>Amount</b>    |
|--------------------|------------------|
| <b>2013</b>        | <b>\$864,754</b> |
| <b>2012</b>        | <b>848,565</b>   |
| <b>2011</b>        | <b>807,268</b>   |
| <b>2010</b>        | <b>648,680</b>   |
| <b>2009</b>        | <b>817,053</b>   |
| <b>2008</b>        | <b>564,307</b>   |
| <b>2007</b>        | <b>923,063</b>   |
| <b>2006</b>        | <b>1,115,900</b> |
| <b>2005</b>        | <b>1,063,827</b> |
| <b>2004</b>        | <b>878,752</b>   |

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# Memphis Redbirds and AutoZone Park: Sales Tax Rebate Analysis



Prepared for  
The City of Memphis

Prepared by  
John E. Gnuschke, PhD,  
Jeff Wallace, PhD,  
Sparks Bureau of Business and Economic Research,  
Fogelman College of Business & Economics,  
The University of Memphis

The focus on historic sales tax rebates shown in Table 1 clearly demonstrates that the state of the local economy had an impact on sales tax rebates. Sales tax rebates had a 10 year average of \$853,217 and a last 5 year average of \$797,264. But, during the last 10 years, sales tax revenues peaked during the post-recession years of 2005 and 2006 and experienced a massive decline in the recession year of 2008 and another smaller decline in 2010. From the depths of the recession in 2008 to the latest year 2013, sales tax rebates increased 53.2%. Year to year fluctuations in both the economy and sales tax rebates will occur and should be expected.

The recent trends are positive and show the resilience of the Redbirds, their solid fan base, and the sales tax rebates. From 2011 to 2013, sales tax rebates increased by 7.12% and they increased by 33.3% from 2010. Fluctuations in attendance and spending reflect economic conditions and the ability of the sales tax rebates to rebound reflects the interest in the Redbirds that exists in Memphis and the Mid-South.

Tables 2 and 3 reflect different estimates of the 2015 sales tax rebates and also different growth rates for revenues. The estimates of the 2015 sales tax rebates shown in Table 2 and 3 are inflation plus growth estimates. The average inflation rate for 2003-2013 was 2.4%. The scenario 1 revenue estimate for 2015 reflects a prior report estimate and the scenario 2 estimate is based on a calculation by the Sparks Bureau of Business and Economic research. The 2015 scenario 2 estimate of \$906,229 was derived by inflating the 2013 sales tax rebate total by the average of the last 3 years sales tax rebate growth.

The new analysis of sales tax rebate growth substantially increases the revenue estimates previously reported. The increases occur for three reasons. First, the rate of inflation estimate was increased from 2% to the actual inflation estimate of 2.4%. Second, the 2015 sales tax rebate estimate was revised upward to reflect the most recent 3 years of growth. Third, the estimates increased because some positive growth rates were assumed to occur above the rate of inflation. If the newly revised Redbirds, their marketing efforts and remodeling of AutoZone Park attract additional local and non-local patrons, then positive growth in attendance and sales tax rebates should occur. Depending on the effectiveness of the promotion efforts and the increased level of fan interest, variations in growth estimates will have an increasingly positive impact on sales tax rebates.

The importance of the Redbirds and AutoZone Park cannot be overstated. Their positive impact on the economy, the level of energy in the downtown core of the city, the quality of life in Memphis and the focus on Memphis as a regional sports center makes this project very important to the community. If the Redbirds were to leave the city and vacate AutoZone Park, it would be devastating to the community's efforts to grow and prosper. The most likely scenario is for modest growth of 2% plus inflation of 2.4% in sales tax rebates. Variations in year-to-year sales tax rebate totals will occur and should be expected. Overtime, sales tax rebates should be expected if the team's performance and marketing is at least as powerful as it has been in the past.

**Table 1. Historic Sales Tax Rebates (Annual Average, Last 5 Yrs = \$797,264)**

| <b>Fiscal Year</b> | <b>Amount (\$)</b> |
|--------------------|--------------------|
| 2004               | 878,752            |
| 2005               | 1,063,827          |
| 2006               | 1,115,900          |
| 2007               | 923,063            |
| 2008               | 564,307            |
| 2009               | 817,053            |
| 2010               | 648,680            |
| 2011               | 807,268            |
| 2012               | 848,565            |
| 2013               | 864,754            |
| 2014(Est.)         | 870,281            |
| 2015(Est.)         | 887,687            |

**Table 2. AutoZone Park Sales Tax Rebate Revenue Scenario 1**

| Year         | Rate of Growth    |                   |                   |                   |                   |                   |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|              | 0.0%              | 1.0%              | 2.0%              | 3.0%              | 4.0%              | 5.0%              |
| <b>2015</b>  | 831,260           | 831,260           | 831,260           | 831,260           | 831,260           | 831,260           |
| <b>2016</b>  | 851,210           | 859,523           | 867,835           | 876,148           | 884,461           | 892,773           |
| <b>2017</b>  | 871,639           | 888,747           | 906,020           | 923,460           | 941,066           | 958,838           |
| <b>2018</b>  | 892,559           | 918,964           | 945,885           | 973,327           | 1,001,294         | 1,029,793         |
| <b>2019</b>  | 913,980           | 950,209           | 987,504           | 1,025,887         | 1,065,377         | 1,105,997         |
| <b>2020</b>  | 935,916           | 982,516           | 1,030,954         | 1,081,284         | 1,133,561         | 1,187,841         |
| <b>2021</b>  | 958,378           | 1,015,921         | 1,076,316         | 1,139,674         | 1,206,109         | 1,275,741         |
| <b>2022</b>  | 981,379           | 1,050,463         | 1,123,674         | 1,201,216         | 1,283,300         | 1,370,146         |
| <b>2023</b>  | 1,004,932         | 1,086,178         | 1,173,116         | 1,266,082         | 1,365,431         | 1,471,537         |
| <b>2024</b>  | 1,029,050         | 1,123,109         | 1,224,733         | 1,334,450         | 1,452,819         | 1,580,431         |
| <b>2025</b>  | 1,053,747         | 1,161,294         | 1,278,621         | 1,406,511         | 1,545,799         | 1,697,382         |
| <b>2026</b>  | 1,079,037         | 1,200,778         | 1,334,880         | 1,482,462         | 1,644,731         | 1,822,989         |
| <b>2027</b>  | 1,104,934         | 1,241,605         | 1,393,615         | 1,562,515         | 1,749,993         | 1,957,890         |
| <b>2028</b>  | 1,131,452         | 1,283,819         | 1,454,934         | 1,646,891         | 1,861,993         | 2,102,774         |
| <b>2029</b>  | 1,158,607         | 1,327,469         | 1,518,951         | 1,735,823         | 1,981,161         | 2,258,379         |
| <b>2030</b>  | 1,186,414         | 1,372,603         | 1,585,785         | 1,829,557         | 2,107,955         | 2,425,499         |
| <b>2031</b>  | 1,214,888         | 1,419,272         | 1,655,560         | 1,928,354         | 2,242,864         | 2,604,986         |
| <b>2032</b>  | 1,244,045         | 1,467,527         | 1,728,404         | 2,032,485         | 2,386,407         | 2,797,755         |
| <b>2033</b>  | 1,273,902         | 1,517,423         | 1,804,454         | 2,142,239         | 2,539,137         | 3,004,789         |
| <b>2034</b>  | 1,304,476         | 1,569,015         | 1,883,850         | 2,257,920         | 2,701,642         | 3,227,143         |
| <b>2035</b>  | 1,335,783         | 1,622,362         | 1,966,740         | 2,379,847         | 2,874,547         | 3,465,952         |
| <b>2036</b>  | 1,367,842         | 1,677,522         | 2,053,276         | 2,508,359         | 3,058,518         | 3,722,432         |
| <b>Total</b> | <b>23,725,430</b> | <b>26,567,578</b> | <b>29,826,370</b> | <b>33,565,750</b> | <b>37,859,428</b> | <b>42,792,326</b> |

Assumptions: 2.4% Inflation Plus Rate of Growth. Inflation averaged 2.4% per year during 2003-2013 (U.S. Bureau of Labor Statistics).

**Table 3. AutoZone Park Sales Tax Rebate Revenue Scenario 2**

| Year         | Rate of Growth    |                   |                   |                   |                   |                   |
|--------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|              | 0.0%              | 1.0%              | 2.0%              | 3.0%              | 4.0%              | 5.0%              |
| 2015         | 906,229           | 906,229           | 906,229           | 906,229           | 906,229           | 906,229           |
| 2016         | 927,978           | 937,041           | 946,103           | 955,165           | 964,228           | 973,290           |
| 2017         | 950,250           | 968,900           | 987,732           | 1,006,744         | 1,025,938         | 1,045,313         |
| 2018         | 973,056           | 1,001,843         | 1,031,192         | 1,061,108         | 1,091,598         | 1,122,667         |
| 2019         | 996,409           | 1,035,905         | 1,076,564         | 1,118,408         | 1,161,461         | 1,205,744         |
| 2020         | 1,020,323         | 1,071,126         | 1,123,933         | 1,178,802         | 1,235,794         | 1,294,969         |
| 2021         | 1,044,811         | 1,107,545         | 1,173,386         | 1,242,458         | 1,314,885         | 1,390,797         |
| 2022         | 1,069,886         | 1,145,201         | 1,225,015         | 1,309,550         | 1,399,037         | 1,493,716         |
| 2023         | 1,095,564         | 1,184,138         | 1,278,916         | 1,380,266         | 1,488,576         | 1,604,251         |
| 2024         | 1,121,857         | 1,224,399         | 1,335,188         | 1,454,801         | 1,583,845         | 1,722,965         |
| 2025         | 1,148,782         | 1,266,028         | 1,393,936         | 1,533,360         | 1,685,211         | 1,850,465         |
| 2026         | 1,176,352         | 1,309,073         | 1,455,270         | 1,616,161         | 1,793,064         | 1,987,399         |
| 2027         | 1,204,585         | 1,353,582         | 1,519,301         | 1,703,434         | 1,907,820         | 2,134,466         |
| 2028         | 1,233,495         | 1,399,603         | 1,586,151         | 1,795,419         | 2,029,921         | 2,292,417         |
| 2029         | 1,263,099         | 1,447,190         | 1,655,941         | 1,892,372         | 2,159,836         | 2,462,056         |
| 2030         | 1,293,413         | 1,496,394         | 1,728,803         | 1,994,560         | 2,298,065         | 2,644,248         |
| 2031         | 1,324,455         | 1,547,272         | 1,804,870         | 2,102,266         | 2,445,142         | 2,839,922         |
| 2032         | 1,356,242         | 1,599,879         | 1,884,284         | 2,215,789         | 2,601,631         | 3,050,077         |
| 2033         | 1,388,792         | 1,654,275         | 1,967,193         | 2,335,441         | 2,768,135         | 3,275,782         |
| 2034         | 1,422,123         | 1,710,520         | 2,053,749         | 2,461,555         | 2,945,296         | 3,518,190         |
| 2035         | 1,456,254         | 1,768,678         | 2,144,114         | 2,594,479         | 3,133,795         | 3,778,536         |
| 2036         | 1,491,204         | 1,828,813         | 2,238,455         | 2,734,581         | 3,334,357         | 4,058,148         |
| <b>Total</b> | <b>25,865,160</b> | <b>28,963,633</b> | <b>32,516,326</b> | <b>36,592,950</b> | <b>41,273,863</b> | <b>46,651,646</b> |

Assumptions: 2.4% Inflation Plus Rate of Growth. Inflation averaged 2.4% per year during 2003-2013 (U.S. Bureau of Labor Statistics).



**Exhibit E**

**County Commissioners**

**Resolution**

RESOLUTION AUTHORIZING RELATED TRANSACTIONS OF SHELBY COUNTY WITH RESPECT TO THE ACQUISITION OF AN INTEREST IN AUTOZONE PARK BY THE CITY OF MEMPHIS AND THE FINANCING BY THE MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION OF THE INTEREST IN AUTOZONE PARK TO BE ACQUIRED BY THE CITY OF MEMPHIS

WHEREAS, the City of Memphis, Tennessee (the "City") currently owns a minor league baseball and general use stadium facility in the City currently known as AutoZone Park (the "Stadium") and the real property on and adjacent to which the Stadium is located (the "Site"), the acquisition and construction of which were financed by bonds issued by Memphis Center City Revenue Finance Corporation ("CCRFC") (those currently outstanding, the "Outstanding Bonds"); and

WHEREAS, the County of Shelby (the "County") and the City entered into an Interlocal Agreement dated as of July 10, 1997 (the "Interlocal Agreement") regarding the acquisition of the Site, in which the City and County agreed to jointly undertake a series of cooperative obligations, which included, inter alia, the County's agreement to reimburse the City for a portion of the cost of the Site, such reimbursement being completely satisfied in 2006; and

WHEREAS, the Site and the Stadium have been leased by the City to CCRFC pursuant to a Lease Agreement dated as of December 1, 1998 (the "Existing Lease") and subleased by CCRFC to the Memphis Redbirds Baseball Foundation (the "Foundation") pursuant to a Lease Agreement dated as of December 1, 1998 (the "Existing Sublease") for use in connection with the AAA minor league baseball franchise (the "Franchise") owned by the Memphis Redbirds Baseball Foundation (the "Foundation") which operates the Memphis Redbirds baseball team (the "Team"); and

WHEREAS, the Foundation is proposing to sell the Franchise to Memphis Redbirds, LLC (the "Team Purchaser"), which is affiliated with the St. Louis Cardinals, a Major League Baseball franchise; and

WHEREAS, the Stadium, the Franchise and the Team provide economic, sports, recreation and entertainment benefits to the City and the County of Shelby (the "County") as well as encourage and foster economic development and prosperity through retail sales, hotel and restaurant sales, entertainment industry sales, in addition to providing employment and small business development opportunities ("Public Benefits"), and the County finds and determines that it is in the best interest of the County to maintain these Public Benefits and that the transactions described herein are in furtherance thereof and serve a valid public purpose; and

WHEREAS, in addition, such change in ownership of the Franchise can reasonably be expected to result in more professional, long-term, stable management of the Team; and

**WHEREAS**, as an inducement to the Team Purchaser to purchase the Franchise, and in furtherance of the Public Benefits to be provided, (i) the City will acquire the Foundation's interest in and to the Site and the Stadium, including the Existing Sublease, which Existing Sublease will be terminated and replaced by the Team Lease referred to below, (ii) CCRFC will finance such acquisition in an amount to be determined by the City and the Memphis Redbirds, LLC (the "Stadium Purchase Price") and an additional amount (the "capital improvement contribution") for improvements at the Stadium (the "Stadium Improvements") by issuing its revenue bonds (the "Bonds") on behalf of the City, which Bonds shall be secured by an Indenture of Trust (the "Indenture") between CCRFC and Regions Bank as trustee (the "Trustee"), (iii) the City will lease the Site, the Stadium and the Stadium Improvements (collectively, the "Leased Property") to CCRFC pursuant to an Initial Lease Agreement (the "Initial Lease"), which Initial Lease will replace the Existing Lease which will be terminated, (iv) CCRFC will sublease the Leased Property to the City pursuant to a Sublease Agreement (the "City Lease"), (v) the City will subsublease the Leased Property to the Team Purchaser pursuant to a Ballpark Lease Agreement (the "Team Lease"); and (vi) the Team Lease will provide for an annual rent payment, which will be assigned to the Trustee for the benefit of the holders of the Bonds; and

**WHEREAS**, CCRFC has entered into a Lease Agreement as of December 29, 1998, with Moore Building Associates LP, and a Lease Agreement as of December 29, 1998, with Moore Garage LLC (collectively, the "Moore Agreements"), which Moore Agreements provide for the assignment of certain rents thereunder (collectively, the "Moore Lease Payments") to the trustee for the Outstanding Bonds (the "Existing Trustee"), and the City proposes that upon the retirement of the Outstanding Bonds, the Existing Trustee shall assign the Moore Lease Payments to the Trustee for the benefit of the holders of the Bonds, with the approval of the City and the County; and

**WHEREAS**, the Outstanding Bonds will be retired in full in connection with the transactions contemplated hereby; and

**WHEREAS**, the County desires to approve the assignment of the Moore Lease Payments to the Trustee and otherwise provide with respect to the foregoing,

**NOW, THEREFORE, BE IT RESOLVED** by the County Commission of Shelby County, Tennessee as follows:

1. The County hereby consents to and approves the assignment of the Moore Lease Payments to the Trustee for the benefit of the holders of the Bonds and authorizes the lease of the Stadium and the Site by the City to CCRFC pursuant to the Initial Lease, by CCRFC to the City pursuant to the City Lease, and by the City to the Team Purchaser pursuant to the Team Lease and acknowledges that all rent due under the Team Lease, by assignment to the Trustee, shall be used to pay transaction costs, including debt service, in connection with the acquisition of the Foundation's interest in the Stadium and the Site and the capital improvement contribution.

2. The Mayor, Director of Finance or their designees and other appropriate officials of the County are hereby authorized to enter into such additional agreements (including amendments to any applicable prior agreements with the City), and they and other appropriate employees of the County are hereby authorized to execute such certificates or other documents and take such other actions, as may be necessary or appropriate to carry out the intent of this resolution.

3. All actions heretofore undertaken by the Mayor, Director of Finance or their designees and other officials, employees, attorneys and agents of the County in furtherance of the intent of this resolution, and of the documents authorized by this resolution, are hereby ratified, confirmed and approved.

Adopted this \_\_\_\_ day of December, 2013.

**Exhibit F**

**CITY RESOLUTION**

**RESOLUTION AUTHORIZING THE ACQUISITION BY THE CITY OF INTERESTS IN AUTOZONE PARK, REQUESTING FINANCING BY THE MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION OF THE ACQUISITION PRICE, AUTHORIZING LEASES TO AND FROM SUCH CORPORATION AND TO MEMPHIS REDBIRDS, LLC, AUTHORIZING RELATED TRANSACTIONS, AND OTHERWISE PROVIDING WITH RESPECT TO THE FOREGOING**

WHEREAS, the City of Memphis, Tennessee (the "City") currently owns a minor league baseball and general use stadium facility in the City currently known as AutoZone Park (the "Stadium") and the real property on and adjacent to which the Stadium is located (the "Site"), the acquisition and construction of which were financed and refinanced by bonds issued by Memphis Center City Revenue Finance Corporation ("CCRFC") (those currently outstanding, the "Outstanding Bonds"); and

WHEREAS, the Site and the Stadium have been leased by the City to CCRFC pursuant to a Lease Agreement dated as of December 1, 1998 (the "Existing Lease") and subleased by CCRFC to the Memphis Redbirds Baseball Foundation (the "Foundation") pursuant to a Lease Agreement dated as of December 1, 1998 (the "Existing Sublease") for use in connection with the AAA minor league baseball franchise owned by the Foundation (the "Franchise") which operates the Memphis Redbirds baseball team (the "Team"); and

WHEREAS, the Foundation is proposing to sell the Franchise to Memphis Redbirds, LLC (the "Team Purchaser"), an affiliate organization of the St. Louis Cardinals, a Major League Baseball franchise; and

WHEREAS, the Stadium, the Franchise and the Team provide economic, sports, recreation and entertainment benefits to the City as well as to encourage and foster economic development and prosperity through retail sales, hotel and restaurant sales and entertainment industry sales, in addition to providing employment and small business development opportunities ("Public Benefits"), and the City finds and determines that it is in the best interest of the City to maintain these Public Benefits and that the transactions described herein are in furtherance thereof and serve a valid public purpose; and

WHEREAS, in addition, such change in ownership of the Franchise can reasonably be expected to result in more professional, long-term, stable management of the Team; and

WHEREAS, as an inducement to the Team Purchaser to purchase the Franchise, and in furtherance of the Public Benefits to be provided, the City proposes that (i) the City acquire the Foundation's interest in and to the Site and the Stadium, including the Existing Sublease, pursuant to a Stadium Purchase Agreement (the "Stadium Purchase Agreement") and an Assignment and Assumption of Lease (the "Assignment and Assumption"), which Existing Sublease will be terminated and replaced by the Team Lease referred to below, (ii) CCRFC finance such acquisition in an amount not to exceed \$20,000,000 (the "Stadium Purchase Price")

and an additional amount not to exceed \$5,000,000 (the "capital improvement contribution") for improvements at the Stadium (the "Stadium Improvements") by issuing its revenue bonds (the "Bonds") on behalf of the City, which Bonds shall be secured by an Indenture of Trust (the "Indenture") between CCRFC and Regions Bank as trustee (the "Trustee"), (iii) the City lease the Site, the Stadium and the Stadium Improvements (collectively, the "Leased Property") to CCRFC pursuant to an Initial Lease Agreement (the "Initial Lease"), which Initial Lease will replace the Existing Lease, which will be terminated, (iv) an acknowledgement by the City that its obligations under this transaction may be referenced and considered as a condition precedent to the consummation of collateral transactions in which the City is not a party (the "Acknowledgement"), (v) CCRFC sublease the Leased Property to the City pursuant to a Sublease Agreement (the "City Lease"), and (vi) the City subsublease the Leased Property to the Team Purchaser pursuant to a Ballpark Lease Agreement (the "Team Lease"). Such documents referred to as items i-vi are attached hereto in substantially final form; and

WHEREAS, it is proposed that the City's payment obligations under the City Lease be secured by a covenant to appropriate legally available revenues as set forth in the City Lease and the Indenture, other than ad valorem tax revenues, and it is anticipated that such revenues will be required in each year (after credit for certain amounts to be assigned to the Trustee as hereinafter described) for the City to meet its obligations thereunder; and

WHEREAS, the City proposes that its rental payments under the City Lease be assigned by CCRFC to the Trustee for the benefit of the holders of the Bonds, pursuant to the Indenture, and that the City Lease include a consent to such assignment substantially in the form submitted herein; and

WHEREAS, the City proposes to assign the Team Purchaser's rental payments under the Team Lease to CCRFC and the Trustee for the benefit of the holders of the Bonds, pursuant to an Assignment of Team Lease (the "Team Lease Assignment"); and

WHEREAS, CCRFC has entered into a Lease Agreement as of December 29, 1998, with Moore Building Associates LP, and a Lease Agreement as of December 29, 1998, with Moore Garage LLC (collectively, the "Moore Agreements"), which Moore Agreements provide for the assignment of certain rents thereunder (collectively, the "Moore Lease Payments") to the trustee for the Outstanding Bonds (the "Existing Trustee"), and the City proposes that upon the retirement of the Outstanding Bonds, and the Existing Trustee shall assign the Moore Lease Payments to the Trustee for the benefit of the holders of the Bonds, with the approval of the City and Shelby County; and

WHEREAS, CCRFC currently is receiving distributions of certain sales tax revenues ("Sales Tax Rebate Revenues") pursuant to Section 67-6-103(d)(1)(A)(iii), Tennessee Code Annotated, which Sales Tax Rebate Revenues currently are assigned to the Existing Trustee, and the City proposes that upon the retirement of the Outstanding Bonds, such distributions shall be received on behalf of the City by CCRFC and be assigned by CCRFC to the Trustee for the benefit of the holders of the Bonds; and



WHEREAS, the Outstanding Bonds will be retired in full in connection with the transactions contemplated hereby; and

WHEREAS, in light of the foregoing and in order to complete the transaction described herein, the City shall be required to complete the following measures: (i) authorize the Stadium Purchase Agreement, the Assignment and Assumption and the termination of the Existing Sublease, (ii) request CCRFC to issue the Bonds to finance such acquisition and the capital improvement contribution, (iii) authorize the Initial Lease and the termination of an existing lease which it replaces, (iv) authorize the City Lease, (v) authorize the Team Lease, (vi) authorize the Team Lease Assignment, (vii) authorize the Release, (viii) approve the assignment of the Moore Lease Payments to the Trustee, (ix) designate CCRFC to receive distributions of the Sales Tax Rebate Revenues pursuant to Section 67-6-103(d)(1)(A)(iii), Tennessee Code Annotated, on behalf of the City and (x) otherwise provide with respect to the foregoing,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Memphis as follows:

1. The City is hereby authorized to acquire the Foundation's interest in and to the Leased Premises, including the Existing Sublease, in the manner generally described herein.
2. CCRFC is requested to issue its Bonds to finance the acquisition of the Foundation's interest in and to the Leased Premises, the capital improvement contribution, and costs of issuance of the Bonds.
3. The Indenture, pursuant to which CCRFC will issue the Bonds, is hereby approved in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel.
4. The Mayor, Comptroller and Director of Finance and Administration, or any of them or their designees (individually or collectively, "Authorized Officers") are hereby authorized to execute and deliver the Stadium Purchase Agreement between the City and the Foundation, the Assignment and Assumption among the City, the Foundation and CCRFC, and the Lease Termination Agreement (CCRFC-Foundation) between the City and CCRFC in substantially the forms of the respective drafts thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.
5. The Mayor and other Authorized Officers are hereby authorized to execute and deliver the Initial Lease and the Lease Termination Agreement (City-CCRFC) each between the City and CCRFC in substantially the forms of the respective drafts thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.
6. The Mayor and other Authorized Officers are hereby authorized to execute and deliver the City Lease between CCRFC and the City in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval. Without limiting the generality of the foregoing, the City Lease shall covenant (a) appropriate legally available revenues, other than ad valorem tax revenues, of the City as set forth therein (b) secure the City's obligations thereunder.



7. The Mayor and other Authorized Officers are hereby authorized to execute and deliver the Team Lease between the City and the Team Purchaser in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.

8. The Mayor and other Authorized Officers are hereby authorized to execute and deliver the Team Lease Assignment from the City to CCRFC and the Trustee, in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.

9. The Mayor and other Authorized Officers are hereby authorized to execute and deliver the Acknowledgment, in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.

10. The City hereby consents to the assignment of the Moore Lease Payments to the Trustee for the benefit of the holders of the Bonds.

11. CCRFC is hereby designated to receive distributions of the Sales Tax Rebate Revenues pursuant to Section 67-6-103(d)(1)(A)(iii), Tennessee Code Annotated, on behalf of the City, and CCRFC is hereby directed to assign such distributions to the Trustee for the benefit of the holders of the Bonds.

12. The Mayor and other Authorized Officers are hereby authorized to execute, approve or agree to and deliver the Bond Purchase Agreement between CCRFC and one or more of the below-named firms as sole underwriter, or as bookrunning lead managing underwriter for itself and other belownamed firms as the underwriters of the Bonds, with respect to the purchase and sale of the Bonds: Duncan-Williams, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co., LLC, Piper Jaffray & Co., Raymond James & Associates, Inc., and SunTrust Bank, or affiliates thereof, and/or any other underwriters selected by the Director of Finance and Administration (individually and collectively, the "Underwriters"), pursuant to which CCRFC will agree to sell the Bonds to the Underwriters and the Underwriters will agree to purchase the Bonds, in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such consultation and approval.

13. A Preliminary Official Statement is hereby authorized to be distributed in connection with the offering of the Bonds in substantially the form of the draft thereof presented to this meeting, with such changes as shall be approved by one or more Authorized Officers upon consultation with counsel, its distribution to be conclusive evidence of such approval and consultation, and one or more Authorized Officers are authorized to deem the Preliminary Official Statement to be "final" for purposes of Rule 15c212 of the Securities and Exchange Commission ("Rule 15c2-12") except for omissions permitted by Rule 15c2-12 and other than with respect to portions thereof as to which CCRFC or others may have deemed "final" as aforesaid.

14. The Authorized Officers are hereby authorized to execute and deliver an Official Statement in connection with the sale and issuance of the Bonds in substantially the form of the Preliminary Official Statement, after the same has been completed by the insertion of the maturities, interest rates, and other details of the Bonds and by making such other insertions, changes or corrections as shall be approved by one or more Authorized Officers upon consultation with counsel, execution thereof by one or more Authorized Officers to be conclusive evidence of such approval and consultation.

15. A continuing disclosure undertaking is hereby authorized to assist the Underwriters of the Bonds in complying with Rule 15c212, in substantially the form described in the Official Statement, and the Mayor and other Authorized Officers are hereby authorized to execute and deliver an agreement (including

**Exhibit G**

**City of Memphis Resolution**

**Regarding MWBE**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MEMPHIS  
AND THE MEMPHIS REDBIRDS LLC WITH REGARD TO THE  
EMPLOYMENT OF MINORITIES AND WOMEN, AND THE INCLUSION OF  
MINORITY, WOMEN-OWNED AND LOCAL BUSINESS ENTERPRISES**

**WHEREAS**, City of Memphis and the Saint Louis Cardinals major league baseball organization are entering into a public/private partnership which will involve the acquisition of AutoZone Park, by the City of Memphis and the Memphis Redbirds by the Saint Louis Cardinals; and

**WHEREAS**, it is intended that the partnership produce a number of economic development benefits, including the redevelopment of a sports and entertainment venue, the creation of employment and small business development opportunities, for individuals as well as businesses, and the establishment of recreation and health consciousness as a lifestyle for the development of Memphis Youth; and

**WHEREAS**, it is the objective of both the City and the Saint Louis Cardinals to develop agreed upon procedures to promote MWBE and local business development, as well as to focus on job creation and employment in baseball and the industries that support this partnership; and

**WHEREAS**, the Saint Louis Cardinals have a proven record of promoting economic development, and business diversity throughout the greater Saint Louis area and beyond; and

**WHEREAS**, it is anticipated that the community development experience of the Saint Louis when paired with the efforts of the City of Memphis, will produce a community development public/private partnership that will serve as a model for the Memphis business and public sector communities; and

**WHEREAS**, the parties are significantly desirous of , and enthusiastic about developing a joint strategy with the City of Memphis that will result in the creation of employment and business development opportunities for all Memphians, particularly for MWBEs and local businesses; and

**WHEREAS**, it is the position of the City of Memphis and the St. Louis Cardinals that the creation and implementation of a joint strategy to promote the use and development of MWBEs as well as small and local businesses in this and other collateral projects, as well as an employment and job creation strategy pursuant to this project is in the best interests of the Citizens of Memphis.

**THEREFORE, PREMISES CONSIDERED,**

**IT IS UNDERSTOOD AND AGREED**, The City of Memphis and the St. Louis Cardinals shall take proactive measures to ensure that any and MBE, WBE, or SBE, or local business desirous of conducting business with the City of Memphis, the St. Louis

Cardinals, or the Memphis Redbirds, is made fully aware of the necessary processes for certification, or registration with the City for the purpose of inclusion on any certified vendor list, or other qualified notification which allows said businesses to be considered for contracting with the City as an MBE, WBE, or SBE, and the City of Memphis and the St. Louis Cardinals shall provide technical assistance to ensure that said entities are able to complete the qualification process if they should elect to do so; and

**IT IS UNDERSTOOD AND AGREED** the parties shall endeavor to include a suitable balance of all trades, skills, and professions in all business endeavors with the City of Memphis, without regard to the number of MBE, WBE, and SBE firms in a given profession or occupation, and shall set participation goals for said entities in all contracts, and to the extent that a given profession, skill or occupation is vacant of any MBEs, WBEs, or SBEs, the City shall seek to serve as a catalyst for the creation of such entities in that profession, skill, or occupation; and

**IT IS UNDERSTOOD AND AGREED**, that the City of Memphis shall utilize the Memphis Office of Resources and Enterprises (MORE) and the City of Memphis Office of Contract Compliance (OCC) in their respective capacities as the vehicles for executing the initiatives set forth in this Memorandum of Understanding; and

**IT IS UNDERSTOOD AND AGREED** that the parties will exert their best efforts to establish this undertaking as a network for the creation of public private partnerships between MBEs, WBEs, SBEs, and small local businesses, and those private and nonprofit entities that have executed the MOU referenced herein; and

**IT IS UNDERSTOOD AND AGREED** that this initiative shall be implemented in a manner consistent with applicable law, and is not intended to, nor does it create any right, benefit, or privilege, substantive or procedural, enforceable at law or in equity, by any party against the City of Memphis, its Divisions, Departments, agencies or entities, Boards or Commissions, officers, employees, agents, or any other persons.

**IT IS UNDERSTOOD AND AGREED** that this MOU shall be included with the closing documents which have been completed as a part of the City's acquisition of AutoZone Park, and in that connection, acceptance of this MOU by the parties shall constitute a condition precedent to the completion of this transaction.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2013

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**A C WHARTON, JR.**

**MAYOR, CITY OF MEMPHIS**

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**JOHN MOZELIAK,**


**MEMPHIS REDBIRDS,  
LLC**

# **Exhibit H**

## **University of Memphis Economic Impact Study**

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# **The Economic Impact of the Memphis Redbirds and AutoZone Park**



## **Updated**

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**Prepared for  
The City of Memphis**

**Updated by  
John E. Gnuschke, PhD,  
And the Staff of the**

**Sparks Bureau of Business and Economic Research,  
Fogelman College of Business & Economics,**

**The University of Memphis**

## OVERVIEW

Throughout the late 1990s, many residents of the city of Memphis, Shelby County, and the broader MSA were anxiously waiting to see the new Memphis Redbirds baseball stadium. If Memphis was going to be the home of a minor league baseball team, it had to get behind the construction of a new state-of-the-art ballpark that would meet league requirements for AAA teams. The Memphis Redbirds' stadium, AutoZone Park, is one of the largest and most recognized infrastructure investments in downtown Memphis. The ballpark was a critical piece of the community's commitment to revitalize the core of the city.

The high quality of the Memphis Redbirds baseball team and the classic architectural style of the ballpark generated a high level of community excitement and civic pride. Attendance records were set in the early years following the completion of the ballpark in 2000. Other downtown sports facilities initially included the Pyramid, and now the FedEx Forum. A community commitment to supporting sports in the downtown area was intended to promote economic growth, increase neighborhood redevelopment, and improve the quality of life in Memphis proper.

The stadium was constructed for approximately \$46.0 million and was one of the largest minor league ballparks; it reflects the best of stadium construction and design and was named 2009 Minor League Ballpark of the Year by Baseball America (Minor League Baseball). The stadium has seating for over 14,000 and sits on three acres in a formerly depressed site downtown. Since construction, numerous new investments associated with AutoZone Park have changed the appearance of and economic viability of the city core. Adjacent apartments, the new YMCA, the link with Beale Street, and many new restaurants have changed the environment and renewed interest in downtown. New housing, revitalized neighborhoods, the trolley, new low-income housing, the expansion of St. Jude Children's Research Hospital, and investments in the University of Tennessee Center for the Health Sciences have transformed Memphis.

AutoZone Park was one piece of the puzzle and a critical part of the transformation process. Population and personal income are the critical factors necessary for having professional sports teams (Davis). Memphis and

the MSA are both large enough and have income levels sufficient to support the Redbirds, the Grizzlies, and other teams like the University of Memphis Tigers. The data in Table 1 and Charts 1 and 2 show population trends in the Memphis MSA, the city of Memphis, and selected MSAs in Tennessee.

**Table 1. Population Change, Memphis Metro Area, 2000 and 2010**

|                    | 2000             | Births         | Deaths          | Net Migration | 2010             |
|--------------------|------------------|----------------|-----------------|---------------|------------------|
| <b>Tennessee</b>   |                  |                |                 |               |                  |
| Fayette County     | 28,796           | 4,502          | - 3,086         | 8,201         | 38,413           |
| Shelby County      | 897,472          | 146,081        | -77,129         | -38,780       | 927,644          |
| Tipton County      | 50,729           | 7,520          | - 4,838         | 5,925         | 59,336           |
| <b>Mississippi</b> |                  |                |                 |               |                  |
| DeSoto County      | 107,199          | 20,148         | - 8,896         | 42,801        | 161,252          |
| Marshall County    | 34,993           | 5,219          | - 3,606         | 538           | 37,144           |
| Tate County        | 25,370           | 3,937          | - 2,519         | 2,098         | 28,886           |
| Tunica County      | 9,227            | 2,000          | - 1,033         | 494           | 10,778           |
| <b>Arkansas</b>    |                  |                |                 |               |                  |
| Crittenden County  | 50,866           | 8,941          | - 4,916         | - 3,989       | 50,902           |
| <b>Total</b>       | <b>1,205,204</b> | <b>198,438</b> | <b>-106,023</b> | <b>18,481</b> | <b>1,316,100</b> |

Note: Preliminary data.

Source: U.S. Census Bureau and State Vital Statistics Reports.

The key observations about population growth from 2000–2010 evident from the data in Table 1 were that the natural growth of the population—births minus deaths—accounted for all of the population increase in Shelby County and most of the growth in the MSA. Out-migration from Shelby County offset half of the natural population increase. DeSoto County’s growth was mostly



associated with in-migration. Over the last decade, in-migration accounted for only 18,481 of the total increase in population (110,896) in the MSA. Clearly, the population of the MSA is sufficiently large enough to support professional and amateur sports and is growing. As a result, the economic base of the community is also growing.

Chart 1. Population Trends, City of Memphis, 2000–2009

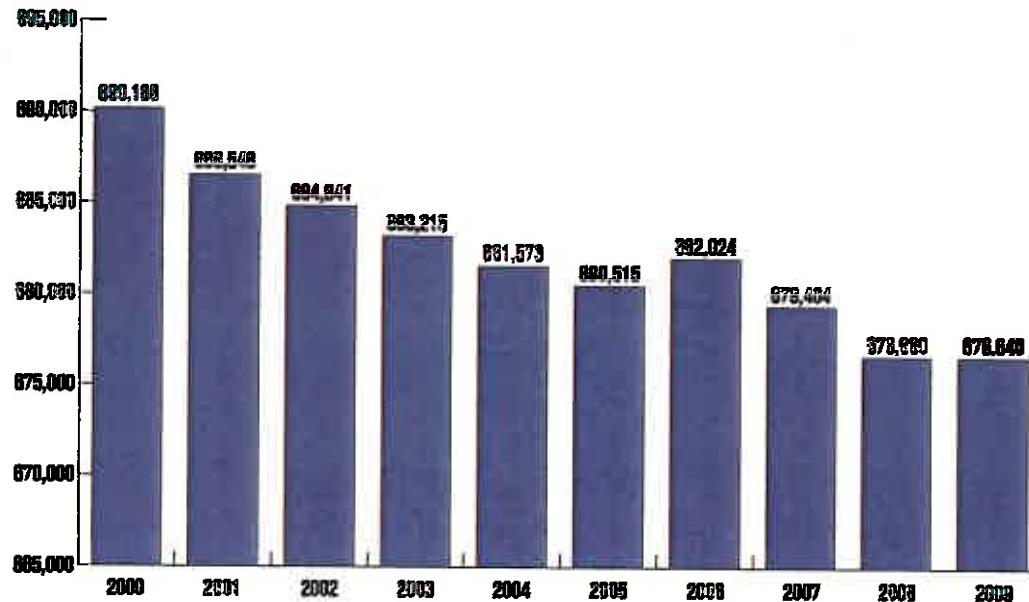
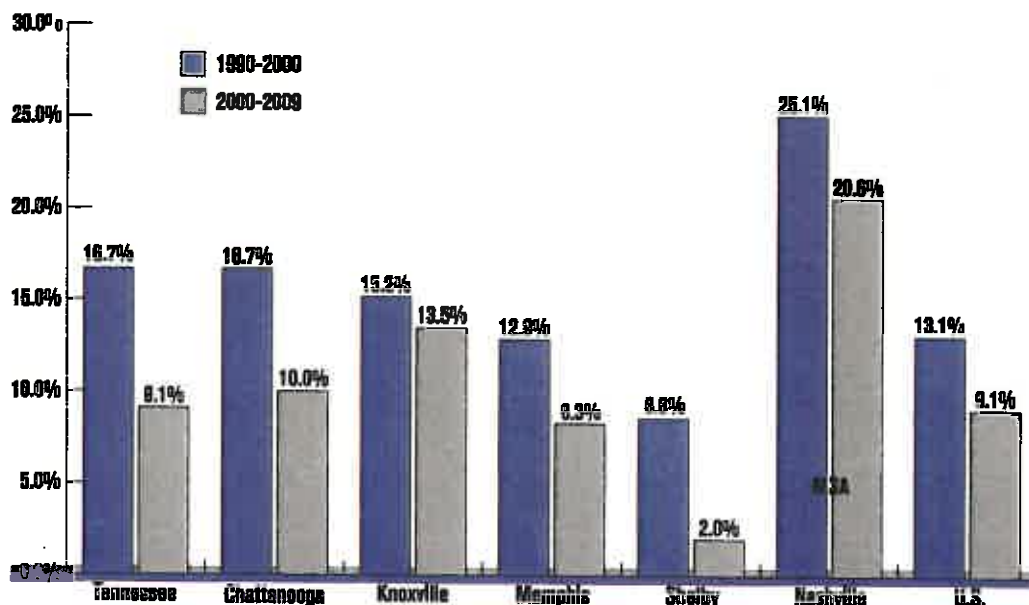


Chart 2. Population Growth, Selected Tennessee MSAs, 1990–2000 and 2000–2009



The population trends for Memphis shown in Chart 1 indicate that Memphis and the core of the MSA are slowly losing population. The decline is not dramatic, but the city is obviously in transition. The growth of the suburbs and the relationship between Memphis and its suburban areas are critical to the success of the community and the viability of the Memphis Redbirds. The data presented in Chart 2 highlight the fact that Shelby County grows slower than other parts of Tennessee and the MSA in general. The Memphis MSA has a slow but positive population growth path that only accommodates slow economic growth.

The income data shown in Table 2 simply indicate that the growth of employment and income levels in Memphis and the MSA are essential engines for economic success. Slow increases in income levels and little or no net new job growth over the last decade have hampered the economic success of many Memphis businesses, including the Memphis Redbirds.

The economic rationale for publicly funded sports facilities is highly questionable given the evidence from numerous academic studies (see Siegfried and Zimbalist, "The Economics of Sports Facilities and Their Communities"). Only private investments are entirely dependent upon classic economic evaluations. The difference between public and private investments in infrastructure is clear: private investments must pass the profits test, and public investments do not. Any investment that can generate profits should be private. Competition with other cities for economic opportunities and for knowledge workers requires that the public make investments that make the community more attractive. Providing both financial and non-financial support for the Memphis Redbirds is an example where public interests exist and where community benefits exceed the cost of the support.

The community continues to support the Memphis Redbirds. While ticket revenues and attendance have declined since the first years after the opening of AutoZone Park, they still remain comparable to attendance levels for other minor league teams (Kronheim)(see Table 3). The Memphis Redbirds' paid attendance reported in Table 3 was 493,706 in 2012, up from 493,528 in 2011 but down 366,145 since 2000—the first year of operation of the new

**Table 2. Greater Memphis at a Glance**

|                    | Population<br>2010 | Median Age<br>2005-2009 | HS Graduates<br>Or Higher<br>% Population<br>Aged 25+ | Bachelor's Or<br>Higher<br>% Population<br>Aged 25+ | Labor Force<br>(October 2011) | Available<br>Labor<br>(October 2011) | Unemployment<br>Rate<br>(October 2011) | Average<br>Private Sector<br>Annual Income<br>(2010) | Nearest<br>Public<br>Riverport<br>(In Miles from<br>County Seat) | Nearest<br>Commercial<br>Airport<br>(In Miles from<br>County Seat) | Nearest<br>Interstate<br>(In Miles from<br>County Seat)   |
|--------------------|--------------------|-------------------------|-------------------------------------------------------|-----------------------------------------------------|-------------------------------|--------------------------------------|----------------------------------------|------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------|
| Greater<br>Memphis | 1,054,953          | 34.5                    | 84.1%                                                 | 25.9%                                               | 502,920                       | 57,780                               | 10.3%                                  | \$45,585                                             | Memphis and<br>Carrollsville                                     | Memphis<br>International                                           | I-40 and I-55                                             |
| Fayette            | 39,413             | 39.9                    | 80.3%                                                 | 17.8%                                               | 19,120                        | 2,850                                | 14.1%                                  | \$37,838                                             | Memphis<br>(48 Miles)                                            | Memphis<br>International<br>(49 Miles)                             | Direct Access<br>to I-40                                  |
| Lauderdale         | 27,815             | 38.1                    | 71.9%                                                 | 8.7%                                                | 10,920                        | 1,480                                | 13.3%                                  | \$31,187                                             | Carrollsville<br>(47 Miles)                                      | Memphis<br>International<br>(47 Miles)                             | 24 Miles to<br>Access I-40,<br>28 Miles to<br>Access I-55 |
| Shelby             | 827,944            | 34.1                    | 84.7%                                                 | 27.9%                                               | 44,480                        | 50,120                               | 10.1%                                  | \$47,315                                             | Memphis<br>(0 Miles)                                             | Memphis<br>International<br>(0 Miles)                              | Direct Access<br>to I-40 and<br>I-55                      |
| Tipton             | 61,081             | 38.1                    | 82.9%                                                 | 14.1%                                               | 28,700                        | 3,230                                | 10.1%                                  | \$30,801                                             | Memphis<br>(28 Miles)                                            | Memphis<br>International<br>(38 Miles)                             | 28 Miles to<br>Access I-40                                |

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development and the State of Tennessee Department of Community Development.

Table 3. Minor League Baseball Attendance, 2011 and 2012

| Description                       | Total Attendance 2012 | Home Dates | Average Per Date | Total Attendance 2011 | Change 2011-2012 | Year Ballpark Opened |
|-----------------------------------|-----------------------|------------|------------------|-----------------------|------------------|----------------------|
| <b>Pacific Coast League (AAA)</b> |                       |            |                  |                       |                  |                      |
| Albuquerque Isotopes              | 588,417               | 70         | 8,120            | 578,328               | (9,911)          | 2003                 |
| Colorado Springs Sky Sox          | 334,245               | 68         | 4,915            | 339,009               | (4,764)          | 1988                 |
| Fresno Grizzlies                  | 471,686               | 72         | 6,551            | 494,051               | (22,365)         | 2002                 |
| Iowa (Des Moines) Cubs            | 509,798               | 70         | 7,283            | 500,675               | 29,123           | 1992                 |
| Las Vegas 51s                     | 311,516               | 71         | 4,388            | 314,032               | (2,516)          | 1983                 |
| Memphis Redbirds                  | 493,706               | 71         | 6,954            | 493,528               | 178              | 2000                 |
| Nashville Sounds                  | 321,042               | 67         | 4,792            | 335,143               | (14,101)         | 1978                 |
| New Orleans Zephyrs               | 329,942               | 66         | 4,999            | 372,017               | (42,075)         | 1997                 |
| Oklahoma (City) RedHawks          | 399,965               | 71         | 5,633            | 378,877               | 21,088           | 1998                 |
| Omaha Storm Chasers               | 415,650               | 70         | 5,938            | 410,326               | 5,324            | 2011                 |
| Reno Aces                         | 389,860               | 72         | 5,415            | 432,314               | (42,454)         | 2009                 |
| Round Rock (TX) Express           | 595,594               | 71         | 8,389            | 618,261               | (22,677)         | 2000                 |
| Sacramento River Cats             | 586,090               | 72         | 8,140            | 600,306               | (14,216)         | 2000                 |
| Salt Lake (City) Bees             | 515,633               | 72         | 7,162            | 437,789               | 77,864           | 1994                 |
| Tacoma Rainiers                   | 352,032               | 72         | 4,889            | 378,518               | (26,486)         | 1960                 |
| Tucson Padres                     | 200,991               | 68         | 2,956            | 242,136               | (41,145)         | 1998                 |

Sources: FrontHeim, David P. "Minor League Baseball 2010 Attendance Analysis." Number Tenor. Accessed March 12, 2013. [http://numbertenor.com/files/2012\\_MLB\\_Attendance\\_Analysis.pdf](http://numbertenor.com/files/2012_MLB_Attendance_Analysis.pdf).

stadium. In 2012, attendance at Redbirds' games was higher than the average reported attendance for all 30 AAA teams (443,358). Attendance declined for all AAA teams from 2011 to 2012 by 2.12 percent, while attendance for the Memphis Redbirds remained virtually unchanged over the same period. Evidently, a more competitive team and improved marketing efforts may be reversing the negative attendance trend.

Attendance levels derived from the Memphis Redbirds' budget are used in this analysis and are slightly higher than those from other

attendance reports. For example, 2010 attendance reported for budgetary purposes was 479,028 versus the 462,041 reported by David P. Kronheim of Number Tamer. Budgetary attendance estimates for 2011 and 2012 were 505,493 and 500,272, respectively, an increase of 5.5 percent for 2011 and decrease of 1.0 percent for 2012.

**Table 4. Estimated Total Impact Summary (Best Case Scenario), 2012**

| Impact Type     | Employment | Labor Income (\$) | Output (\$)  |
|-----------------|------------|-------------------|--------------|
| Direct Effect   | 200.9      | \$8,851,305       | \$11,992,261 |
| Indirect Effect | 55.3       | 2,434,052         | 4,730,903    |
| Induced Effect  | 58.7       | 2,781,907         | 7,332,014    |
| Total Effect    | 314.9      | 14,046,423        | 24,055,078   |

**Table 5. Estimated Employment Impact: Top Ten Industries (Best Case Scenario), 2012**

| Description                                                           | Employment | Labor Income (\$) | Output (\$) |
|-----------------------------------------------------------------------|------------|-------------------|-------------|
| Food Services and Drinking Places                                     | 8.5        | 198,096           | 493,492     |
| Promoters of Performing Arts and Sports and Agents for Public Figures | 6.6        | 78,581            | 349,756     |
| Real estate establishments                                            | 4.4        | 105,850           | 703,193     |
| Private Hospitals                                                     | 3.8        | 260,936           | 512,750     |
| Employment Services                                                   | 3.6        | 106,122           | 142,796     |
| Offices of Physicians, Dentists, and Other Health Practitioners       | 3.1        | 276,651           | 411,448     |
| Wholesale Trade Businesses                                            | 2.5        | 183,654           | 436,568     |
| Nursing and Residential care facilities                               | 2.2        | 73,000            | 129,386     |
| Retail Stores—General Merchandise                                     | 2.1        | 57,001            | 126,069     |

The economic impact estimates in Tables 4–11 were based upon the 2012 expenditure data reported for budgetary purposes. Two cases were used for the impact analysis. Case 1 is the best-case scenario since no deduction for substitution is included. In essence, all spending associated with the Memphis Redbirds is assumed to be new spending and not spending that would have occurred in Memphis without the team. Case 2 presents the impact based upon assumptions that attendance from the MSA is evenly distributed and that attendance and expenditures from areas outside the city are new injections into the core city's economic base. The key findings are as

follows:

1. The economic impact based upon Case 1 was that the Memphis Redbirds' operating expenditures generated or supported 315 jobs, \$14.0 million in labor income, and more than \$24.0 million in total output (Table 4).

Table 6. Estimated State and Local Tax Contributions (Best Case Scenario), 2012

| Description                           | Employee Compensation (\$) | Proprietor Income (\$) | Indirect Business Tax (\$) | Households (\$) | Corporations (\$) | Totals (\$) |
|---------------------------------------|----------------------------|------------------------|----------------------------|-----------------|-------------------|-------------|
| Dividends                             | —                          | —                      | —                          | —               | 406               | 406         |
| Social Ins. Tax—Employee Contribution | 2,526                      | 0                      | —                          | —               | —                 | 2,526       |
| Social Ins. Tax—Employer Contribution | 4,477                      | —                      | —                          | —               | —                 | 4,477       |
| Indirect Bus. Tax: Sales Tax          | —                          | —                      | 1,077,235                  | —               | —                 | 1,077,235   |
| Indirect Bus. Tax: Property Tax       | —                          | —                      | 469,386                    | —               | —                 | 469,386     |
| Indirect Bus. Tax: Motor Vehicle Lic  | —                          | —                      | 16,967                     | —               | —                 | 16,967      |
| Indirect Bus. Tax: Severance Tax      | —                          | —                      | 603                        | —               | —                 | 603         |
| Indirect Bus. Tax: Other Taxes        | —                          | —                      | 147,087                    | —               | —                 | 147,087     |
| Indirect Bus. Tax: S/L NonTaxes       | —                          | —                      | 60,188                     | —               | —                 | 60,188      |
| Corporate Profits Tax                 | —                          | —                      | —                          | —               | 11,386            | 11,386      |
| Personal Tax: Income Tax              | —                          | —                      | —                          | 9,515           | —                 | 9,515       |
| Personal Tax: NonTaxes (Fines-Fees)   | —                          | —                      | —                          | 33,154          | —                 | 33,154      |
| Personal Tax: Motor Vehicle License   | —                          | —                      | —                          | 13,635          | —                 | 13,635      |
| Personal Tax: Property Taxes          | —                          | —                      | —                          | 4,218           | —                 | 4,218       |
| Personal Tax: Other Tax (Fish/Hunt)   | —                          | —                      | —                          | 6,994           | —                 | 6,994       |
| Total State and Local Tax             | 7,003                      | 0                      | 1,771,366                  | 67,515          | 11,791            | 1,857,575   |

**Table 7. Estimated Federal Tax Contributions (Best Case Scenario), 2012**

| Description                           | Employee<br>Compensation<br>(\$) | Proprietor<br>Income<br>(\$) | Indirect<br>Business Tax<br>(\$) | Households<br>(\$) | Corporations<br>(\$) | Totals<br>(\$)   |
|---------------------------------------|----------------------------------|------------------------------|----------------------------------|--------------------|----------------------|------------------|
| Social Ins. Tax—Employee Contribution | 323,909                          | 269,371                      | —                                | —                  | —                    | 593,280          |
| Social Ins. Tax—Employer Contribution | 420,873                          | —                            | —                                | —                  | —                    | 420,873          |
| Indirect Bus. Tax: Excise Taxes       | —                                | —                            | 131,583                          | —                  | —                    | 131,583          |
| Indirect Bus. Tax: Custom Duty        | —                                | —                            | 55,522                           | —                  | —                    | 55,522           |
| Indirect Bus. Tax: Fed NonTaxes       | —                                | —                            | 0                                | —                  | —                    | 0                |
| Corporate Profits Tax                 | —                                | —                            | —                                | —                  | 65,321               | 65,321           |
| Personal Tax: Income Tax              | —                                | —                            | —                                | 806,022            | —                    | 806,022          |
| <b>Total Federal Tax</b>              | <b>744,783</b>                   | <b>269,371</b>               | <b>187,105</b>                   | <b>806,022</b>     | <b>65,321</b>        | <b>2,072,602</b> |



Table 8. Estimated Total Impact Summary (51.4% Local), 2012

| Impact Type     | Employment | Labor Income (\$) | Output (\$) |
|-----------------|------------|-------------------|-------------|
| Direct Effect   | 97.6       | 4,391,763         | 5,828,239   |
| Indirect Effect | 26.9       | 1,182,949         | 2,299,170   |
| Induced Effect  | 28.5       | 1,341,849         | 3,563,359   |
| Total Effect    | 153        | 6,826,562         | 11,690,768  |

Table 9. Estimated Employment Impact: Top Ten Industries (51.4% Local), 2012

| Description                                                           | Employment | Labor Income (\$) | Output (\$) |
|-----------------------------------------------------------------------|------------|-------------------|-------------|
| Food Services and Drinking Places                                     | 4.1        | 96,275            | 239,837     |
| Real Estate Establishments                                            | 2.1        | 51,443            | 341,752     |
| Promoters of Performing Arts and Sports and Agents for Public Figures | 3.2        | 38,191            | 169,981     |
| Private Hospitals                                                     | 1.8        | 126,815           | 249,197     |
| Offices of Physicians, Dentists, and Other Health Practitioners       | 1.5        | 134,452           | 199,964     |
| Employment Services                                                   | 1.8        | 51,575            | 69,399      |
| Wholesale Trade Businesses                                            | 1.2        | 89,256            | 212,172     |
| Nursing and residential care facilities                               | 1.1        | 35,488            | 62,882      |
| Retail Stores—General Merchandise                                     | 1          | 27,703            | 61,270      |

While the total impact of the Memphis Redbirds' operations is spread across many industries, a large percentage of the impact is confined to Spectator Sports Companies (Table 5). The estimated state and local taxes generated by Redbirds' expenditures and their impact on the local economy would total slightly more than \$1.8 million in 2012 (Table 6). The Memphis Redbirds also have a positive impact on federal taxes—about \$2.0 million in 2012 (Table 7). Investments in the stadium generate tax revenues for the useful life of the stadium (25–30 years or more).

2. The economic impact presented in Case 2 is based upon the assumption



that all attendance from outside the city proper is a new injection into the economic base of the community. Since 51.4 percent of the Memphis MSA's population resides in Memphis and 48.6 resides in other areas, it was assumed that the impact would mirror the distribution of the population between the city and suburbs, and that average expenditures from people inside and outside the city were equal. These assumptions simplify the analysis but do not limit the fact that (a) some expenditures from suburban residents might have occurred in the city anyway, thus generating an over-estimate of the impact; and (b) higher-income suburban residents are assumed to spend the same as lower-income city residents, thus under-estimating the impact. No attempt was made to estimate the attendance that would be generated by

**Table 10. Estimated State and Local Tax  
Contributions (51.4%), 2012**

| Description                           | Employee<br>Compensation<br>(\$) | Proprietor<br>Income<br>(\$) | Indirect<br>Business Tax<br>(\$) | Households<br>(\$) | Corporations<br>(\$) |
|---------------------------------------|----------------------------------|------------------------------|----------------------------------|--------------------|----------------------|
| Dividends                             | —                                | —                            | —                                | —                  | 197                  |
| Social Ins. Tax—Employee Contribution | 1,227                            | 0                            | —                                | —                  | —                    |
| Social Ins. Tax—Employer Contribution | 2,176                            | —                            | —                                | —                  | —                    |
| Indirect Bus. Tax: Sales Tax          | —                                | —                            | 523,536                          | —                  | —                    |
| Indirect Bus. Tax: Property Tax       | —                                | —                            | 228,122                          | —                  | —                    |
| Indirect Bus. Tax: Motor Vehicle Lic  | —                                | —                            | 8,198                            | —                  | —                    |
| Indirect Bus. Tax: Severance Tax      | —                                | —                            | 293                              | —                  | —                    |
| Indirect Bus. Tax: Other Taxes        | —                                | —                            | 71,484                           | —                  | —                    |
| Indirect Bus. Tax: S/L NonTaxes       | —                                | —                            | 29,251                           | —                  | —                    |
| Corporate Profits Tax                 | —                                | —                            | —                                | —                  | 5,533                |
| Personal Tax: Income Tax              | —                                | —                            | —                                | 4,624              | —                    |
| Personal Tax: NonTaxes (Fines-Fees)   | —                                | —                            | —                                | 16,113             | —                    |
| Personal Tax: Motor Vehicle License   | —                                | —                            | —                                | 6,627              | —                    |
| Personal Tax: Property Taxes          | —                                | —                            | —                                | 2,050              | —                    |
| Personal Tax: Other Tax (Fish/Hunt)   | —                                | —                            | —                                | 3,399              | —                    |
| <b>Total State and Local Tax</b>      | <b>3,403</b>                     | <b>0</b>                     | <b>860,884</b>                   | <b>32,812</b>      | <b>5,731</b>         |

Table 11. Estimated Federal Tax Contributions (51.4%), 2012

| Description                           | Employee<br>Compensation<br>(\$) | Proprietor<br>Income<br>(\$) | Indirect<br>Business Tax<br>(\$) | Households<br>(\$) | Corporations<br>(\$) |
|---------------------------------------|----------------------------------|------------------------------|----------------------------------|--------------------|----------------------|
| Social Ins. Tax—Employee Contribution | 157,420                          | 130,914                      | —                                | —                  | —                    |
| Social Ins. Tax—Employer Contribution | 204,544                          | —                            | —                                | —                  | —                    |
| Indirect Bus. Tax: Excise Taxes       | —                                | —                            | 63,949                           | —                  | —                    |
| Indirect Bus. Tax: Custom Duty        | —                                | —                            | 26,984                           | —                  | —                    |
| Indirect Bus. Tax: Fed NonTaxes       | —                                | —                            | 0                                | —                  | —                    |
| Corporate Profits Tax                 | —                                | —                            | —                                | —                  | 31,746               |
| Personal Tax: Income Tax              | —                                | —                            | —                                | 391,726            | —                    |
| Total Federal Tax                     | 361,964                          | 130,914                      | 90,933                           | 391,726            | 31,746               |

the spending of non- local people who attend the Memphis Redbirds' games.

The spending of non-Memphis people at the Redbirds' games supported 153 jobs and generated \$6.8 million in labor income and \$11.6 million in total output. As before, most of the impact is in Spectator Sports Companies, but industries such as Food Services and Drinking Places, Real Estate, and Health Care are positively impacted. The impact on state and local taxes is estimated to be \$902,830 in 2012. The impact on federal taxes is estimated to be over \$1.0 million.

In summary, using the best case scenario (Case 1) expenditures by the Memphis Redbirds in 2012 resulted in the total production of goods and services (output) valued at over \$24.0 million, total salaries, wages, and benefits (labor income) of more than \$14.0 million, state and local taxes of \$1.8 million, and federal taxes of more than \$2.0 million. In addition, Memphis Redbirds expenditures had a cumulative effect on 315 local full and part-time jobs. Even using a more conservative scenario (Case 2), the Memphis Redbirds operations contributed over \$11.0 million in output, over \$6.8 million in labor income, and state, local, and federal taxes of more than \$1.9 million.

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In conclusion, the Memphis Redbirds and sports teams of all types make up a small part of the total economy. Sports teams cannot transform Memphis or determine its future. The Redbirds are only a small part of the overall economy of Memphis no matter how many people attend the games. But, the Memphis Redbirds are a part of the fabric of the community. They are important for both quantitative and qualitative reasons. Not every project can be judged by the economic impact it has on a community. Some projects are critical determinants of the future of the city even if their economic impact is small.

The Memphis Redbirds and AutoZone Park continue to have a positive impact on the community that far exceeds the calculations from any economic impact analysis.

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